

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

** R

London, Thursday, March 4, 1999

No. 36,080

German Irritation High Over Stasi Files in U.S.

Officials Hint at Curbs on Joint Intelligence

By William Drozdiak
Washington Post Service

BERLIN — When Gerhard Schröder was invited to lunch at the White House by President Bill Clinton last month, the German chancellor was fervently hoping he would return home with a special gift: the top-secret archives of East Germany's foreign spy operations that the CIA spirited away after the fall of the Berlin Wall.

By the time he arrived in Washington, however, Mr. Schröder had received disappointing news. His chief troubleshooter, Bodo Hombach, who had been sent to Washington in advance to close the deal, had run smack into what he later called a barrier of "mutual mistrust." Not only would Mr. Clinton not release the files, he did not even want to discuss the matter, according to White House and chancellery aides.

While Mr. Schröder sought to dismiss the rebuff by declaring that the two leaders simply did not have enough time to discuss the issue, senior aides said privately the chancellor was outraged by the United States' refusal to surrender files that Germany considers its property. They warned that the impasse soon could seriously damage cooperation on intelligence and other matters between the countries.

German officials hint that the time may be coming to curtail operations of U.S. intelligence agencies in Germany, including eavesdropping facilities such as the powerful U.S. radar and communications systems at Bad Aibling, near Munich, that some Germans suspect are used for commercial espionage.

According to diplomats, politicians and intelligence officials interviewed in the United States and Germany, the campaign to recover the "crown jewels" of the East German state security apparatus, has escalated into an emotional test case for Mr. Schröder's government as it seeks to reassert the full sovereignty of a reunited Germany and establish a more equitable partnership with Washington.

The files are said to contain the identities, code names and other vital data of thousands of Stasi foreign agents, the vast majority of whom worked in West Germany. Joachim Gauck, a Lutheran pastor who is responsible for collecting and supervising the Stasi archives in Germany, said, "Only when we recover this material will we ever be able to know the true scope of the East German network of agents in West Germany, and beyond."

The Clinton administration has refused to return the files at the insistence of the CIA, which says that doing so would jeopardize Western agents still at large. But many Germans believe the U.S. attempt to protect Germans and other Westerners implicated in the files — some of whom are believed still to hold powerful political positions — is preventing their nation from settling its accounts with history and achieving a full reconciliation between East and West.

See STASI, Page 6



LAGOS RIOTS — Nigerian soldiers beating a riot suspect before releasing him Wednesday. Mobs believed to have been made up of opponents of President-elect Obasanjo attacked a police station and a barracks. Police sources said at least five officers were killed. It was the second day of violence in Lagos in the aftermath of the presidential election last weekend. Page 4.

Beijing Sets New High In Deficit Spending

Infrastructure Outlays To Offset Weak Exports And Consumer Activity

By Benjamin Kang Lim
and Bill Savodove
Reuters

BEIJING — The Chinese government will resort to record deficit spending this year as it attempts to prime the economy for 7 percent growth, Prime Minister Zhu Rongji will tell lawmakers this week.

In a speech to be delivered Friday to a budget-approving session of the National People's Congress, Mr. Zhu will make clear that Beijing will rely, as it did last year, on huge outlays on telecommunications, highways and waterworks to drive an economy weakened by the downturn in Asia.

His speech, parts of which were leaked Wednesday, offers little hope that China's other main engines of growth — domestic consumption, trade and foreign investment — will recover. Mr. Zhu foresees a deficit of 150.3 billion yuan (\$18.15 billion), a sharp jump of 56 percent over last year's shortfall but, at about 2 percent of gross domestic product, relatively modest by international standards. But that amount apparently does not include the billions of dollars China spends annually to keep state industries afloat.

In Hong Kong, newspapers quoting leaked copies of speeches to be given at the annual congress reported that Chinese military spending would rise 12.7 percent, to 104.65 billion yuan. That figure includes 5 billion yuan in compensation to People's Liberation Army units that have been compelled to close businesses, the Hong Kong Economic Times said.

The South China Morning Post reported government expenditures would rise 14.7 percent, to 738.9 billion yuan, this year and revenue would expand by 7.3 percent, to 588.6 billion yuan. The reports gave no hint of any major changes in economic policy.

In his speech, Mr. Zhu will pledge to adopt a prudent monetary policy and maintain stability in the yuan this year despite the temptation of a devaluation to boost exports. He also will say that China will maintain its balance of payments and foreign-exchange reserves, which reached a massive \$145 billion at the end of 1998.

"Realizing economic growth of around 7 percent will not be easy, but with effort it can still be reached," Mr. Zhu's speech says. "The external economic environment we face this year remains extremely serious. It will be difficult to see a relatively big increase in domestic consumption demand for a period of time."

Chinese officials say the economy grew by 7.8 percent last year, helped mainly by massive spending on infrastructure. Many private economists say

See CHINA, Page 4

U.S. Steps Back In Banana War, But Reserves Tariff Threat

By Anne Swardson
Washington Post Service

PARIS — The U.S. government said Wednesday that it would conditionally impose new tariffs on more than \$500 million worth of selected European exports in protest at European Union protections on bananas.

The action means that no duties will be levied yet but that the United States reserves the right to retroactively implement the 100 percent tariffs on a list of European products that includes Scottish cashmere, Italian cheese, French handbags and British cookies.

In the banana dispute, Washington stepped down slightly from an earlier threat to unilaterally impose retaliatory tariffs. On Tuesday, a World Trade Organization panel put off a decision on how much damage the EU banana regime had caused to American companies, thereby removing what U.S. officials had hoped would be a procedural boost to the controversial tariffs.

"We are pleased that the WTO arbitrators are clearly focused on the question of economic damages, and we respect their desire for more information," the U.S. special trade negotiator Peter Scher said. The office of the U.S. Trade Representative indicated that the duties would be levied without fail; the only question was their dollar amount. But officials on both sides have said they would prefer a negotiated settlement.

On another front of the simmering trans-Atlantic trade battle, the House of Representatives voted Wednesday to ban supersonic Concorde aircraft flights to the United States if the EU pursues a plan to ban airplanes retrofitted with noise-reduction devices known as hush kits, starting in 2002. Washington says the ban would hurt sales of more than \$1 billion in U.S. products and cause the resale value of older Boeing planes to plummet. (Page 13)

Newest Prices	
Bahrain	1.000 BD Malia 55 c
Cyprus	0.87 1.00 Nigeria 12500 Naira
Denmark	17 DKr Oman 1.250 OR
Finland	12.00 FM Qatar 10.00 QR
Gibraltar	0.85 Rep. Ireland 1R £1.10
Great Britain	1.00 Saudi Arabia 10 SR
Great Britain	5.50 S. Africa R16 incl VAT
Egypt	1.250 JD U.A.E. 10.00 DH
Jordan	K. GH. 160 U.S. Mk. (Eur) \$120
Kuwait	700 Fils Zimbabwe Zm\$40.00

Progress and Problems

How Much Privacy Do People Really Need?

By John Markoff
New York Times Service

SAN FRANCISCO — Intel Corp. recently blundered in a confrontation with privacy advocates protesting the company's plans to ship its newest generation of microprocessors with an embedded serial number that could be used to identify a computer — and by extension, its user.

But those on both sides of the dispute acknowledge that it was only an initial skirmish in a wider struggle. From computers to cellular phones to digital video players, everyday devices and software programs are increasingly embedding telltale identifying numbers that enable them to interact.

Whether such digital fingerprints constitute an imminent privacy threat or are simply part of the foundation of advanced computer systems and networks is the subject of a growing debate between the computer industry and privacy groups.

At the heart of the argument is a fundamental disagreement over the role of electronic anonymity in a democratic society.

Privacy groups argue fiercely that the merger of computers and the Internet has brought the specter of a new

surveillance society in which it will be difficult to find any device whose use cannot be traced to the user.

But a growing alliance of computer industry executives, engineers, law enforcement officials and scholars contend that absolute anonymity is not only increasingly difficult to obtain technically but is also a potential threat to democratic order because of the possibility of electronic crime and terrorism.

"You already have zero privacy — get over it," Scott McNealy, chairman and chief executive of Sun Microsystems Inc., said at a recent news conference held to introduce the company's newest software. Known as Jini, the software is intended to interconnect virtually all types of electronic devices from computers to cameras.

Privacy advocates contend that software like Jini, which assigns an identification number to each device each time it connects to a network, could be misused as networks envelop almost everyone in society in a dense web of devices that see, hear and monitor behavior and location.

"Once information becomes avail-

See PRIVACY, Page 12

Update on Y2K Bug Sees Turmoil for Some

By Art Pine
Los Angeles Times Service

WASHINGTON — A special Senate panel has warned that possible computer crashes next Jan. 1 could spawn disruptions leading to civil unrest in some countries, with an outside risk that they also could prompt terrorist attacks amid the resulting confusion.

While rating the probability of increased terrorism as "low to medium," panel members told senators in a private briefing that the lag in year 2000 preparations around the globe posed a serious threat and urged stepped-up efforts to deal with it.

Neither the chairman of the special panel, Robert Bennett, Republican of Utah, nor the report publicly identified specific countries that the committee fears could experience civil disorder as a result of computer disruptions. But Mr. Bennett pointed to heavy economic impact in parts of Latin America, Africa and Asia.

An assessment by the Gartner Group, a private consulting firm that helped prepare the report, predicted a 33 percent chance of major computer crashes in countries such as Brazil, France, Hungary, Mexico, Singapore, South Korea and Taiwan.

It cited a 66 percent prospect of systemic failures in countries such as China, Indonesia, Pakistan, the Philippines, Russia and Thailand.

Countries such as Australia, Britain, Canada, the Netherlands, Switzerland and the United States were given a 15 percent chance of a major breakdown.

"The committee is greatly concerned about the international Y2K picture," said the report, released Tuesday. At the same time, the panel issued a detailed report that suggested disruptions in the United States were likely to be far less widespread than in most other countries and were unlikely to last longer than a few days at most.

The 163-page document outlined serious concerns about the readiness of some U.S. industries, such as medical service providers, to deal with the computer problem. But it said that many key sectors, from financial services and utilities to telecommunications, were in good shape.

The report marked the first comprehensive survey by Congress of international readiness for the so-called Y2K problem.

Lawmakers in both houses of Congress are pushing through legislation

See BUG, Page 12

\$50,000 Offer for Egg Donor Sharpens the Debate

By Gina Kolata
New York Times Service

NEW YORK — The advertisements started appearing last week in newspapers at top U.S. schools — Ivy League colleges, Stanford University, Massachusetts Institute of Technology, California Institute of Technology.

"Egg Donor Needed," the advertisements said, adding, "Large Financial Incentive."

The ad said a "loving family" was looking for a 5-foot-10-inch (1.78-meter) athletic woman who had

scored at least 1400 on her SAT examination and who had no major family medical problems. In return, she would receive \$50,000.

Already, more than 200 women have responded to the offer of what is believed to be the largest amount of money ever offered for a woman's eggs. Darlene Pinkerton, who with her lawyer-husband, Thomas Pinkerton, placed the ads on behalf of an infertile couple, said that most respondents were from Ivy League schools and that she was starting to get calls from women as far away as Finland and New Zealand. Women who are too short or whose SAT scores

are too low are also calling. Ms. Pinkerton said. But Ms. Pinkerton said that when she ran the same ad in October, without mentioning the price the couple would pay, she got only six responses.

Until now, ethicists argued whether \$50,000 was too much to pay for an egg donor. They debated whether it was coercive for couples to ask for SAT scores or height or favorite books when they sought egg donors. But, some ethicists say, a \$50,000 price, in a donor market that just a year ago was reeling

See DONOR, Page 12

AGENDA

U.S. Court Halts German's Execution

FLORENCE, Arizona (AP) — A federal appeals court Wednesday halted the planned execution of Walter LaGrand, a German national, saying use of the gas chamber in Arizona may be unconstitutional, a prison spokesman said.

Paul McMurdie, a prosecutor, said the state would immediately appeal the ruling to the Supreme Court. Mr. LaGrand, a convicted murderer, was to have died at 3 P.M. (2200 GMT), a week after his brother was put to death here.

Earlier article, Page 12.



Captain Richard Ashby leaving court alone after testimony ended.

Fate of Marine Pilot Is in Jury's Hands

CAMP LEJUNE, North Carolina (AP) — Jurors Wednesday began weighing the fate of a Marine pilot charged with involuntary manslaughter for flying his jet into an Italian ski lift cable, killing 20 people.

The eight Marine officers closest themselves early in the afternoon following summations by prosecutors and defense lawyers that lasted nearly four hours.

In his closing statement, the prosecutor, Major Daniel Daugherty, told the jurors that Captain Richard Ashby was guilty because "he was too low, he was too fast, he was too aggressive."

He was outright dangerous." But Frank Spinner, the defense lawyer, said it was "a training accident and nothing more."

Captain Ashby is charged with involuntary manslaughter and other counts and could get 206 years in prison if convicted.

Books Page 11.
Crossword Page 3.
Opinion Pages 10-11.
Sports Pages 20-21.

The IHT on-line www.ihb.com

Lewinsky's Friends Fear Starr Retaliation on Book

By Don Van Natta Jr.
New York Times Service

WASHINGTON — In a book to be published this week, Monica Lewinsky is so critical of the independent counsel Kenneth Starr that several of her friends and associates say they fear that Mr. Starr will become angry, try to revoke her immunity agreement and prosecute her.

Ms. Lewinsky says in the book, "Monica's Story" by Andrew Morton, that she was so despondent at her treatment by prosecutors who confronted her at the Ritz-Carlton Hotel in Pentagon City, in suburban Virginia, on Jan. 16, 1998, that she briefly considered killing herself in their presence, said two people familiar with the contents of her book.

She is described as being deeply sympathetic to the president. Immediately after she was confronted by Mr. Starr's prosecutors, Mr. Morton writes, Ms. Lewinsky "said she had this overwhelming thought: She must warn the president."

Plato Cacheris, one of Ms. Lewinsky's lawyers, said Tuesday night that neither he nor her other lead lawyer, Jacob Stein, had seen the book's manuscript or galley proofs.

"Monica and Andrew Morton did this on their own," Mr. Cacheris said. "We did not vet the book."

Several friends of the Lewinsky family said they were worried that Ms. Lewinsky's remarks might backfire. "It's a big concern to us," an associate of Ms. Lewinsky's said. "She's

bound by this agreement."

Citing the immunity agreement under which Ms. Lewinsky testified about her affair with President Bill Clinton and efforts to cover it up, Mr. Starr did not permit Ms. Lewinsky to discuss his office's conduct in a two-hour interview with Barbara Walters to be broadcast on ABC on Wednesday night. But Ms. Lewinsky was free to discuss Mr. Starr's office with Mr. Morton because her agreement did not apply to the book.

[In a brief portion of her interview with Ms. Walters broadcast Wednesday morning, Ms. Lewinsky said that she felt like "a piece of trash" the day Mr. Clinton was forced to admit their affair on national television and apologized to the nation but not to her, The Associated Press reported from Washington.

"I felt dirty and I felt used, and I was disappointed," Ms. Lewinsky said. Asked by Ms. Walters whether Mr. Clinton really cared for her, Ms. Lewinsky said, "Some days I think yes, and some days I think no." Ms. Lewinsky was shown on the clip watching Mr. Clinton's televised apology to the nation last Aug. 17, the day he gave his grand jury testimony.

[Asked whether she believed Mr. Clinton felt remorse, Ms. Lewinsky said that as a politician, "I think he's sorry he got caught." But she added, "When I think of the person I thought Bill Clinton was, he had genuine remorse."

In the book, Ms. Lewinsky says that

See SCANDAL, Page 12

Traveling Salesmen / Have Car, Will Shop

Ukrainian Smugglers Find Poland Irresistible

By Michael Wines
New York Times Service

RAVA-RUSKAYA, Ukraine — When Andrei needs a few things from the market — and he always needs a few things from the market — he does what a lot of people around here do: He climbs into the car and drives to Poland.

Once across the border, he drops by a few wholesalers and farms, buys as much butter, milk and fat as he reasonably can, and stuffs it all out of sight, under the back seat and in the trunk. On the way back, he stops at the Ukrainian border and slips the guard a few hundred hryvnias. Then he drives carefully home so as not to attract the police, who tend to want a few hundred hryvnias of their own.

All that, and he does not even get to eat the food.

"I'm a middleman," he said the other day, huddling in his car, chain-smoking nervously. "I don't go for big business, and I don't carry much. I get less profit, but I think in our situation, the slower you go, the more success you have."

When the going gets tough, the cliché goes, the tough go shopping.

Things in Rava-Ruska are awfully tough. The economy is depressed; unemployment is endemic, and the town, a one-stoplight sort of place with a few aging storefronts and a two-lane main street, seems to have but one thing going for it: It is three and a half miles (5.6 kilometers) from much wealthier Poland.

And so it has become not just a smuggler's den, but a smuggler's kitchen, bedroom, garage and driveway. The main street is littered with minivans, small diesel trucks and, oddly enough, used British postal trucks, all preferred vehicles for hauling goods across the border. The bar attracts passing traffickers; the local grocery is laden with tins of Polish sprats, canned meat and sausages.

Not far from town, enterprising folks have converted a couple of empty buildings into warehouses — transshipment points for the tons of food, household cleaners, electronics and other sought-after items that cross the border daily.

The goods flood in for one reason only: They are cheaper in Poland and can be resold to Ukrainians at a huge profit. They are especially cheap if nobody pays the sky-high duties that the Ukrainian government has imposed on many goods to protect domestic competitors.

That is the basis for what officials politely call the "shuttle trade," much of it above-board and legal, but a healthy share also solidly rooted in bribery and stealth.

Business is brisk. Just to Poland, the Ukrainian government estimates that shuttle trade accounted for more than 11 percent of all imports in 1997, worth \$2 billion. A survey last October by the firm Socis-Gallup International concluded that about one in 35 adults is a shuttle trader, carrying on brisk commerce with Russia, Hungary and even Turkey, across the Black Sea.

But along Ukraine's depressed western border, the share of shuttle traders is dramatically higher, partly because there are so few other jobs and partly because it is so lucrative.

Some smuggled Polish products sell for as little in Ukraine as half the price of identical Ukrainian versions. U.S. consumer-products giants like Procter & Gamble and S.C. Johnson, which have



On the road between Poland and Ukraine: Smugglers do a brisk business in Polish goods brought across the border — many of them unofficially "duty-free."

factories in Ukraine and elsewhere in Europe, have complained loudly that they are competing against themselves here — and losing.

For Andrei, who not only refused to give his last name but also refused to confirm that Andrei is really his first, smuggling is about the only way to exercise the skills he gained in the 1980s at the Cooperative Teknikum in nearby Lviv.

There, he said, he earned the Ukrainian equivalent of an MBA, but could find no better job than assistant manager at a pizza parlor. With a small family to support, that was not enough.

"I calculated that I'd be able to earn more money by myself," he said — and he has. These days, he said, he makes a daily run to Poland, usually for food that can be easily resold to the hordes of sidewalk vendors in cities like Lviv, but from time to time for stereos, televisions and even the occasional refrigerator.

ASKED DIRECTLY how he manages to get such booty back over the Ukrainian border, Andrei was almost comically circumspect. "Take margarine: To bring in 200 kilograms — about 440 pounds — one has to pay \$1,100 in customs taxes," he said. "People look for opportunities to carry things, not paying taxes — somehow to hide, to agree with the customs officers that it can come through." But doesn't that require a bribe? "I wouldn't like to talk about that," he said.

Others do, however. Under Ukraine's customs regime, anyone can bring a small amount of food or other goods into the country — about \$75 worth — and pay a minimal duty. Above that, the fee skyrockets.

Trying to clamp down on the shuttle trade, the government doubled and even tripled duties on more than 600 consumer products last April.

That cut into cross-border business, but at the cost of making bribery an even more attractive option for

traders and customs officers alike. These days, a gratuity to a customs officer runs from \$10 for a small-time trader like Andrei to \$2,000 for one of the tractor-trailer loads of goods brought in by organized gangs.

Last year, the state customs service fired one in every 13 of its 17,000 customs officers for violations, mostly involving bribery and abuse of power. City police at the port of Odessa, another major smuggling center, arrested one customs officer last fall but was found to have \$523 U.S. dollars and a "substantial amount" of Ukrainian currency in his pockets. The officer had been arrested just after lunch; most of his working day lay before him.

Much of the take from bribery is said to flow up the chain of command. Only in November, German police arrested the director of customs operations for half the Poland-Ukraine border as he was withdrawing more than \$1.1 million in German marks from a German bank.

The official, General Oleksiy Chernyshov, was allegedly part of a smuggling ring that traded alcohol and cigarettes. How the general managed to rise from third-class adviser, at two customs checkpoints, to head of the region in the space of several months is yet to be explained.

The government, aware that bribery is costing it hundreds of millions of dollars in lost tax revenues, is trying to break the links between customs officers and traders. Customs officers are rotated periodically to new posts to discourage familiarity with the people they inspect. Recently, the person in charge of the checkpoint near Rava-Ruska was moved to another town, leaving traders to wonder whether a crackdown is imminent.

Maybe it is. For now, Andrei is a fairly accurate barometer of how the traders are faring. "Look," he said, a trace of pride in his voice. "I've got a new car."

Parched Times Ahead, Mideast Study Warns

By William A. Orme
New York Times Service

RAMALLAH, West Bank — The drought this winter could be a portent of an even drier future unless Israel, Jordan and the Palestinians work together to conserve shared water resources, an international panel of scientists has warned.

With a population of 12 million in a region with slight rainfall, water supplies "are barely sufficient to maintain a quality standard of living," said Gilbert White, a geographer from the University of Colorado. He was chairman of a research group from the U.S. National Academy of Sciences and counterpart institutions from Israel, Jordan and the Palestinian National Authority.

In what was described as the first major study of the long-term outlook for water supplies between the eastern border of Jordan and the Mediterranean coast of Israel, the report Tuesday said that even with strict management "the area's inhabitants will almost assuredly live under conditions of significant water stress in the near future."

Ancient underground aquifers are being drained dry, while rains flow unused into desert gulches and rivers are diverted for water-intensive tropical agriculture, the researchers said. Water sheds cross political boundaries and can only be managed jointly, they said.

It is hardly news here that water is getting ever scarcer and the population steadily larger.

Yet by drawing on data from disparate sources within and outside the region, the study provides what its authors believe is the first comprehensive analysis of regional patterns of water demands and supplies. At the same time it details feasible methods of conserving water and reducing consumption.

At least as significant as the content, participants said, was the political fact that this was the first serious study involving Jordanian, Israeli and Palestinian experts, all of whom urged their governments to work together on recycling waste water, developing efficient irrigation and using trackless water for industry and agriculture.

The unusual regional collaboration and the prestige of the U.S. Academy of Sciences should help assure that the study will guide the World Bank and other Western aid donors whose support is crucial to all three governments, the authors said.

Left carefully unmentioned were the consequences of a regional battle over dwindling water resources. But the concern was implicit.

"This is a very dry region and a very tiny region, with an importance out of all proportion to its size," said David Polansky, staff director of the project.

The 225-page study, which took more than two years, is itself rather arid, scrupulously avoiding any hint of national bias or ideological advocacy and con-

centrating on regional research rather than policy prescriptions.

"While we were aware of many proposals for managing water supplies in the study area and neighboring areas, we explicitly refrained from making recommendations about these specific programs and political policies," Mr. White said.

The scientists acknowledged that their hope was to galvanize policymakers into action and to remove the excuse that there is insufficient scientific information on which to base broad new water policies.

Members of the group met on Monday with the Palestinian leader, Yasser Arafat. The Israeli Academy of Sciences and Humanities will be presenting its findings to its government and the Royal

"This is a very dry region and a very tiny region, with an importance out of all proportion to its size."

Scientific Society of Jordan is advising the government in Amman about the research.

The principal scientific contribution of the panel, some suggested, was to collate and verify existing research from varied sources on regional industry, irrigation, meteorology and geology.

"There was a serious lack of regional information," Mr. Polansky said, pointing to a map of regional rainfall patterns that was drawn from different official sources and research institutes. "This is quite basic. But until we did it there was nothing like it."

The report stresses the limits of a landscape ranging from "sparse forest" to desert and "semidesert," cleaved by the "temperate steppe" of the Jordan Valley, itself increasingly dried out by upstream irrigation.

In 40 years, all fresh water in the region should be reserved for household use, with treated waste water and saline water used to supply agriculture and industry, the researchers said.

As the largest and by far the most prosperous of the three, Israel accounts for most of the consumption, the study confirmed. At 344 cubic meters (12,148 cubic feet), its per capita water use in 1994 was almost four times that of the West Bank and the Gaza Strip, at 93 cubic meters a person.

Palestinian officials and Israeli environmentalists often point critically to this disparity and to California-style watered lawns and capacious bathtubs that they consider irresponsibly profligate.

Yet the study showed that Israel's use is only marginally greater than Jordan's. Jordan is poorer than the West Bank, yet consumed 244 cubic meters of water a person.

Spying Allegations Could Hurt Disarmament, UN Chief Says

By John M. Goshko
Washington Post Service

UNITED NATIONS, New York — Secretary-General Kofi Annan said Wednesday that allegations that American intelligence agents used UN weapons-inspection teams as cover in spy on Iraq could harm the cause of disarmament, because suspicious governments might be unwilling to cooperate with UN surveillance of their arms programs.

"There is no doubt that these allegations will make disarmament regimes or future efforts difficult if governments believe that this kind of thing can happen," Mr. Annan said at a news conference where he was asked about the charges reported Tuesday by The Washington Post.

Citing U.S. government sources and documents, the Post said that for three years U.S. agents spied on Iraqi military activities under the cover of the UN Special Commission (Unscm) charged with locating and eliminating prohibited Iraqi weapons. The Post said the spying was done without Unscm's knowledge.

Mr. Annan's remarks were the only official comments to be made here about the Post article.

"I personally had no direct knowledge of these things," Mr. Annan said, noting that Unscm is not part of the UN bureaucracy under his control but reports to the 15-nation Security Council. Asked if he was "outraged" by the situation, he said it was up to the council to "draw the right lessons."

He added that it was important to note that Richard Butler, the executive chairman of Unscm, and his predecessor in that job, Rolf Ekens, may have known nothing about any spying.

By stressing that Unscm does not

work for him, Mr. Annan took the same line he did in January, when leaks to the news media first raised questions about whether U.S. agents had infiltrated Unscm to gather information for the Clinton administration's campaign against President Saddam Hussein of Iraq.

Although Mr. Annan denied responsibility for the leaks, they were known to have come from his inner circle of advisers, as furious U.S. officials pointed out. The incident revealed a deep rift between Mr. Annan and the administration on how to deal with Iraq.

U.S. officials declined to comment on the substance of the Post report, except in say Unscm was always fully briefed. "We never comment on allegations involving intelligence matters," James Foley, a State Department spokesman, said in Washington.

"This is an intelligence operation at its core, and I'm not going to get into the modalities about how Unscm did its job or its mission," said David Leavy, a National Security Council spokesman.

"We briefed all appropriate Unscm officials."

Within the council, the five permanent members are deadlocked over what to do with Iraq; the United States and Britain demand a continued hard line while Russia, France and China advocate greater flexibility.

One of the council's most urgent tasks is to recommend how to complete the job of determining whether Iraq has eliminated its weapons of mass destruction.

Baghdad, long distrustful of Unscm, has vowed never to permit it to return to Iraq. Many at the UN feel that Unscm is under too great a cloud of suspicion to ever again function effectively. But no one seems to have any idea of what would be a suitable substitute.

TRAVEL UPDATE

Austrian Avalanches Scare Away Tourists

VIENNA (AP) — More than a week after deadly avalanches swept through a ski resort in the Austrian Alps, foreign tourists are avoiding the region, leaving it nearly empty during peak season.

The Paznaun valley was enjoying a record season, but a pair of avalanches that rolled through the villages of Galtner and Vals, killing 31 people, have scared away tourists, the Austria Press Agency reported.

Ski lifts and cross-country trails in Galtner are to reopen this weekend, and some tourists who have been coming to the region for years are still booked, but countless other reservations have been canceled, Gerhard Walter, head of Galtner's tourist agency, said.

In the fashionable resort of Ischgl, down the valley from Galtner, hotels report vacancies. Cancellations have also been high farther south in St. Anton.

New Saudi Flights

JDDA (APF) — Saudi Arabian Airlines, the region's largest international carrier, will add eight direct flights to its service by the end of May, the official SPA news agency said.

The new flights from the Red Sea port of Jidda will serve Alexandria, Egypt; Larnaca, Cyprus; Malacca, Malaysia; and Tehran and Shiraz in Iran, as well as Athens, Milan and Nice.

Tower Leaning Less

PISA, Italy (APF) — The Leaning Tower of Pisa is leaning a little less — 1.5 millimeters, to be exact — thanks to intensive efforts to prop it up.

The head of the committee to safeguard the landmark, Michele Janninkowski, said it was hoped that four more millimeters could be gained before a second phase of excavations started to stabilize the tower. The tower was closed to the public in January 1990 because of security concerns.

When construction got under way in 1973, the tower tilted almost immediately because of the high water table underneath it. It leaned further after the building was completed in 1372.

American Airlines said it flew fewer passengers in February after it canceled more than 6,600 flights because of an 11-day pilots' protest. (Bloomberg)

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

Europe				Asia			
City	Today	Low	High	City	Today	Low	High
Amsterdam	52/53	43/43	52/53	Almaty	68/68	50/50	68/68
Antwerp	52/53	43/43	52/53	Ankara	50/50	30/30	50/50
Athens	52/53	43/43	52/53	Bangkok	28/28	20/20	28/28
Berlin	52/53	43/43	52/53	Beijing	28/28	20/20	28/28
Bombay	52/53	43/43	52/53	Bombay	28/28	20/20	28/28
Buenos Aires	52/53	43/43	52/53	Calcutta	28/28	20/20	28/28
Cardiff	52/53	43/43	52/53	Chengdu	28/28	20/20	28/28
Chennai	52/53	43/43	52/53	Chongqing	28/28	20/20	28/28
Dhaka	52/53	43/43	52/53	Dalian	28/28	20/20	28/28
Dubai	52/53	43/43	52/53	Delhi	28/28	20/20	28/28
Frankfurt	52/53	43/43	52/53	Hong Kong	28/28	20/20	28/28
Geneva	52/53	43/43	52/53	Kobe	28/28	20/20	28/28
Hamburg	52/53	43/43	52/53	London	28/28	20/20	28/28
Helsinki	52/53	43/43	52/53	Los Angeles	28/28	20/20	28/28
Istanbul	52/53	43/43	52/53	Manila	28/28	20/20	28/28
Madrid	52/53	43/43	52/53	Osaka	28/28	20/20	28/28
Moscow	52/53	43/43	52/53	Seoul	28/28	20/20	28/28
Munich	52/53	43/43	52/53	Shanghai	28/28	20/20	28/28
Nairobi	52/53	43/43	52/53	Singapore	28/28	20/20	28/28
Paris	52/53	43/43	52/53	Taipei	28/28	20/20	28/28
Prague	52/53	43/43	52/53	Tokyo	28/28	20/20	28/28
Rangoon	52/53	43/43	52/53	Yokohama	28/28	20/20	28/28
Reykjavik	52/53	43/43	52/53				
Rome	52/53	43/43	52/53				
San Francisco	52/53	43/43	52/53				
Seattle	52/53	43/43	52/53				
Stockholm	52/53	43/43	52/53				
Taipei	52/53	43/43	52/53				
Tel Aviv	52/53	43/43	52/53				
Tokyo	52/53	43/43	52/53				
Winnipeg	52/53	43/43	52/53				
Zurich	52/53	43/43	52/53				

A Must Read Complimentary Report
A Professional's Guide to Currency Speculation and Risk Management

This comprehensive report is mandatory reading for all investors. Complete with profitable, simple, fully disclosed trading models, an 11 year track record and all price data for performance verification.

For This Free Report and Our Services Guide Call Toll-Free (24hrs)

Australia 1800125044 Belgium 080015880 Denmark 80018132
France 080002248 Greece 0800118213013 Germany 0800829880
Hong Kong 800067260 Israel 8009410152 Italy 167072628
Japan 0331116000 Luxembourg 08004352 Netherlands 0800220857
N. Zealand 0800441880 Portugal 0800811532 Singapore 800122301
S. Africa 080096337 Spain 800531007 Switzerland 0800897233
Thailand 010011921613 USA 800945757 UK 0800968638
US-Toll +948-376-8020 Fax +948-376-8025 email petersen@pccall.net

Forex Capital Management
Excellence in Foreign Exchange and Currency Brokerage

Correction

Because of an editing error, there was an incorrect date in a front-page article Wednesday concerning the trade conflict over bananas. A World Trade Organization panel asked Tuesday night for more time to deliberate.

Internet address:
<http://www.int.com>

Internet address:
<http://www.int.com>

Internet address:
<http://www.int.com>

THE AMERICAS

U.S. Agrees to \$480 Million Deal to Preserve Redwoods

By William Booth
Washington Post Service

LOS ANGELES — A last-minute agreement reached after years of negotiation and rancor means that the largest stand of ancient redwoods still in private hands will be sold to the government to ensure that a towering forest, and the endangered species it harbors, can be preserved for generations to come.

The federal government and the state of California agreed Tuesday to pay Pacific Lumber Co. \$480 million for 10,000 acres of redwood forest along the Northern California coast, including the rarest of the rare: thousands of acres of a primordial habitat known as the Headwaters Forest.

The Headwaters is a grove of moss-draped trees that are as old as the millennium and as tall as 20-story buildings. It is a place of hushed and soul-stirring beauty, often com-

pared to a cathedral, given the quality of its golden light and the play of green shadows.

The Headwaters Forest, and the surrounding lands, will now be set aside as a nature preserve, with public access, and continue to be home to endangered species such as the coho salmon, the spotted owl and a rare bird called the marbled murrelet.

The ancient forest was declared of such scenic and environmental value that Interior Secretary Bruce Babbitt compared it Tuesday to Yosemite National Park.

In addition to the forest purchase, the government and Pacific Lumber Co. also agreed on a 50-year plan to protect the endangered species that live on the timber company's other lands.

Pacific Lumber still owns some 211,000 acres surrounding the Headwaters Forest that it will continue to log, but now with more restrictions. For example, the plan limits log-

ging on steep slopes and along stream courses to protect the water from runoff that could choke the salmon's reproductive runs.

This "Habitat Conservation Plan" is at the heart of the Clinton administration's controversial and untested new approach to protecting threatened wildlife and habitats, particularly on private property.

Mr. Babbitt said the real importance of the deal was the habitat plan, which may now be used as a model in dozens of other battles to protect endangered species.

The fight over the Headwaters Forest, and the logging done by Pacific Lumber, combined to produce more than a decade of acrimonious legal challenges and clashes between lumberjacks and environmental activists.

There were massive protests each year, with thousands of young activists arrested in the woods of Northern California. In one clash

last year, a young activist for the environmentalist group Earth First! was crushed to death when he tried to stop Pacific Lumber from cutting down trees.

The agreement was finally reached late Monday, after negotiations collapsed Friday night. Talks were broken off and the deal appeared dead when John Campbell, president of Pacific Lumber, said the government was demanding so many restrictions on its logging lands that they would have limited its annual tree harvest below the point that Mr. Campbell said was fiscally viable.

But over the weekend, federal and state officials approached Mr. Campbell and his team at Pacific Lumber again. Officials offered to "clarify" the Habitat Conservation Plan in a series of side letters that Mr. Campbell said eventually convinced him that his timber company could cut enough lumber to make the deal worthwhile.

Show Me the Money, Bush Tells Supporters

By Rick Lyman
New York Times Service

AUSTIN, Texas — Under the hottest sun of the year and with a stiffening wind whirling the leaves into a frenzy, George Bush and his wife, Laura, sat on patio chairs behind the governor's mansion before several dozen reporters from Texas and almost made the announcement that everyone has been waiting for.

The two-term governor and son of the former president said Tuesday that, no, this was not it, but he would officially announce — on Sunday — the formation of an exploratory committee to raise money and help him decide whether to, sometime this year, become a bona fide candidate for president of the United States.

Let the money flow.

The message was a signal to those who had been urging Mr. Bush, the consistent front-runner in national polls, to seek the presidency that he has overcome any lingering doubts about the effect of a bid on his family and would approach the campaign with a mind toward winning.

"I am convinced, and Laura is convinced, that our love for each other is strong enough and our family is close enough to take whatever life brings," Mr. Bush said.

And the 52-year-old governor — who has admitted to youthful indiscretions and wildness about which he has declined to elaborate, except to say that they are behind him and that he is now a faithful husband and family man — said that he had no fears that opponents would unearth skeletons to derail a campaign.

"Had there been skeletons that

would have destroyed a candidacy, you'd have found them in 1994 or 1998," Mr. Bush said, referring to his first and second campaigns for governor of Texas.

Reporters from national networks and publications were told not to attend Tuesday's event, a tape of which was provided to The New York Times by someone who had attended. A CNN camera crew was halted at the gate. This announcement, the governor's people said, was for Texas media only, in keeping with a pledge the governor made last year that, when he made his presidential decision, he would let his fellow Texans in on it first.

The problem was that the news had already kind of seeped out. Some of the governor's top advisers and campaign aides were quoted, anonymously, in reports in the past two weeks as saying that such an announcement was imminent. And last week, one of them, Mr. Bush's chief political consultant, Karl Rove, told The New York Times on the record that Mr. Bush intended to make the announcement — a statement that the governor later told Texas reporters was premature.

Mr. Bush said that he came to his decision shortly after he delivered his inaugural address in January and only delayed letting the world in on it to give the Texas legislative session time to get under way and to allow some of his initiatives to begin winding their way through the system.

"I began to get more comfortable with the idea," he said Tuesday. "I began to feel more comfortable inside. I began to get a sense of peace inside my soul and my heart."



Governor Bush and his wife, Laura, discussing his presidential campaign plans in Austin, Texas.

Now, Mr. Bush said, the process will be divided into two parts.

Beginning Sunday, when the exploratory committee takes official shape, supporters will be able to donate money to a potential Bush campaign. Only then, the governor said, will it become clear whether the high level of support his pre-candidacy has shown in the polls is matched by dollar support at the grass roots.

Mr. Bush, however, will not be part of the effort, except perhaps to send out a fund-raising letter. He said he would stay in Texas, tending to business through the end of the current legislative session to May. During that time, he will continue to

hold occasional briefing sessions with his policy advisers, including Mayor Steve Goldsmith of Indianapolis (domestic policy) and Provost Condoleezza Rice of Stanford University (foreign policy).

Then, after the legislative session ends, he and his wife will begin a summer of barnstorming the country, raising money and taking the pulse of the electorate. At some point this year, Mr. Bush will make his absolute final, formal announcement that he is or is not running for president.

The only thing, though, that would keep him from running would be if his exploratory efforts were greeted with "a great thud, a huge yawn," he said.

Mr. Bush had been saying for months that he was concerned that his wife and twin 17-year-old daughters, Barbara and Jenna, would find the rigors of a campaign too invasive. Now, he said, that concern is behind him.

Mrs. Bush said that she, too, had come to terms with it.

"What I hesitated about is the ugliness that we all see of political life," she said. "George and I lived through the 1992 election with his dad, and it was a very miserable year for us. I dread criticism of my husband. On the other hand, I love my husband, and I'm very proud of him, and I know he'd make a great president."

Several Republicans Defend Law on Independent Counsel

By Frank Bruni
New York Times Service

WASHINGTON — Several House Republicans have challenged an assertion by the Clinton administration that the independent counsel law should be permitted to fade into extinction, using a hearing on the law's future to pose pointed questions about what other safeguards exist against unlawful conduct by high-ranking federal officials.

After a deputy attorney general, Eric Holder Jr., told a House panel Tuesday that the administration considered the law so irredeemably flawed that it should be scrapped when it expires at the end of June, Representative George Gekas, Republican of Pennsylvania, wondered aloud just what kind of shape that would leave the country in.

"I'm worried sick about the prospect of it dying without a developed mechanism in place," Mr. Gekas, chairman of the House subcommittee on commercial and administrative law, said during the hearing. He demanded that the administration

present a proposal explaining precisely how allegations of official wrongdoing would be credibly handled in the absence of an independent counsel.

Representative Lindsey Graham, Republican of South Carolina, joined Mr. Gekas in that call, telling Mr. Holder, "I think you owe that to the country. I think you owe that to Congress."

Mr. Holder responded that while he thought he had been clear in his testimony before the House subcommittee that the Justice Department itself had powers and avenues of investigation that rendered the independent counsel statute moot, he would be willing to spell out the procedures for handling allegations of official wrongdoing in a more detailed document.

"We'll come up with something that's responsive," he said as the hearing concluded.

[On Wednesday, the lawyer who represented President Bill Clinton in the Paula Jones case told the Senate Governmental Affairs Committee that the Independent Counsel Act

had become "a nuclear weapon in the arsenal of partisan politics" and should be allowed to die. The Associated Press reported from Washington.

"Beware of the lawyer with one case with an endlessly deep pocket to finance it and no time limit in which to get the job done," Robert Bennett told the committee.

Senator Joseph Lieberman of Connecticut, the senior Democrat on the panel, said he remained reluctant to allow the statute to expire June 30 when its legal mandate runs out. Mr. Lieberman said he was disappointed by the administration position that the law is so seriously flawed that it must be allowed to die. He said the criticisms cited by Mr. Holder "can be remedied by surgery as opposed to termination."

Mr. Holder's remarks to the House panel reflected a remarkable turnaround by Attorney General Janet Reno, who in the early days of the Clinton administration was one of the strongest defenders of the independent counsel law and who recommended the appointments of five

independent counsels to investigate President Clinton and various members of his cabinet. She was heavily criticized for not naming a counsel to investigate questionable fund-raising by Democrats in Mr. Clinton's 1996 re-election campaign.

Mr. Gekas and Mr. Graham served on the team of House members who prosecuted Mr. Clinton during his Senate trial, and their questions Tuesday revealed suspicions about the administration's impartiality in calling for an end to the statute that gave Kenneth Starr the authority to investigate Mr. Clinton on a variety of fronts and allegations, none definitively proven.

Democrats on the House subcommittee railed about what they portrayed as the excesses and abuses of Mr. Starr, and many of them said that his conduct had revealed inherent problems with the statute.

Outside the subcommittee, the elimination of the independent counsel law appears to enjoy considerable bipartisan support.

The law was initially passed in 1978, in the aftermath of the Wa-

tergate scandal, to meet concerns about the need for an authority outside the government to be able to investigate the president and other high-ranking federal officials.

The independent counsel statute was reauthorized repeatedly over the next two decades, although there was tinkering with its specific provisions and it was allowed to lapse from 1992 to 1994.

The hearing Tuesday was the first that the House held to examine the future of the law.

Members of Congress focused in large part on the many witnesses and targets of these inquiries whose bank accounts had been cleaned out by legal fees and whose lives had been shattered, with Representative Jay Dickey, Republican of Arkansas, drawing special attention to the effect of so many investigations by independent counsels in the president's home state.

"It's been a devastation," he said. "It's been like a tornado has hit, like Sherman's march to the sea," a reference to a scorched-earth campaign in the American Civil War.

CROSSWORD

ACROSS

- 1 Work on a pumpkin, perhaps
- 6 Secular
- 10 Bogus
- 14 Xenophile's
- 15 A may get a licking after dinner
- 16 "Volli"
- 17 Agency that manages kiosks?
- 18 Don Juan's mother
- 20 Refraction phenomenon
- 21 Put away
- 22 "___ on \$45 a Day"

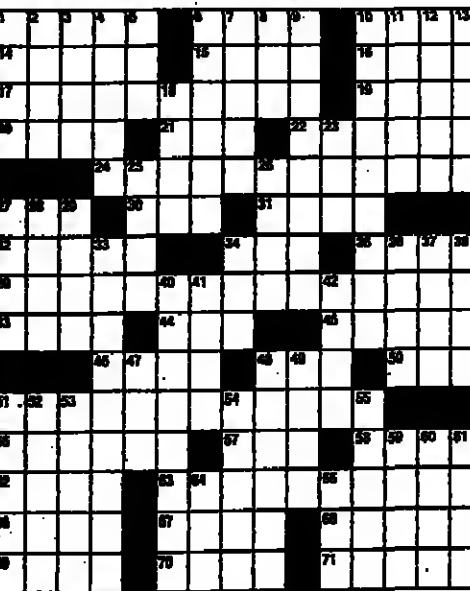
Solution to Puzzle of March 3

CROC AFAR SCAB
HILO LOLA SHALL
ELAINEMA TRITE
REFLEXES ARENAS
WIN EVADERS
APRILSTEVENS
PRIVY RETAY TART
BAYS KEMAL TART
XYZZ GERIC ARLES
PREBIE BOI
SHRIEKS DOSSLEDS
WEAVES JUREHAYOC
TINKED AKIN REDO
EERO REET KNOW

DOWN

- 2 Change, perhaps
- 3 Lame, Calif.
- 4 100 others
- 5 Toxic stuff
- 6 Stoppage
- 7 Prospero's servant
- 8 Suffix with "Down"
- 9 Discover
- 10 Like Chinese pepper steak
- 11 Capital on the Red River
- 12 Sliced
- 13 Some pencil puzzle
- 14 The Sweetest Taboo singer, 1985

24 Sellers of miniatures?
- 25 Short stop?
- 26 Soft or boom
- 27 Part of MOMA
- 28 Hit the helipad
- 29 Stead
- 30 Hairdressing operation?
- 31 Major (staff office)
- 32 30's-40's pianist
- 33 Temptation
- 34 Actress Gla
- 35 Insolence
- 36 Make a bundle
- 37 Wired



© New York Times/Edited by Will Shortz

Internet address:
<http://www.ihd.com>

Away From Politics

Five Muslim women have filed a religious discrimination complaint after losing their jobs as security guards at Dulles International Airport in the Virginia suburbs of Washington. The women alleged that they were dismissed because they refused to remove head scarves, a requirement of their faith. (AP)

A male university professor who smuggled a poor 15-year-old boy from Honduras into Florida and had sexual relations with him for almost a year became the first person convicted under a new U.S. law barring "sex tourism" targeting minors. (Reuters)

A teenager who flashed a laser pointer into the eye of a sheriff's deputy has been convicted in Virginia of assault and battery and sentenced to six months in jail. (AP)

The death toll linked to contaminated hot dogs and deli meats from Sara Lee Corp.'s Bil Mar Foods in Michigan has reached 14, the second-deadliest U.S. outbreak involving listeria bacteria. (AP)

POLITICAL NOTES

Buzz Follows Mrs. Clinton

NEW YORK — The would-be constituents in this seen-it-all city looked for a clue Wednesday from the could-be candidate, but Hillary Rodham Clinton had nothing to say about the possibility of running for the Senate. Instead, she talked at a public school about art education and ignored the clamor.

Her audience didn't; she was met by raucous applause. "She's cool, she's not snotty, she's like a real, regular person," said Tiffany Mance, 14.

Mrs. Clinton made no reference to her possible candidacy. Polls taken a few weeks ago gave her a commanding lead in a hypothetical match-up with Rudolph Giuliani, the mayor of New York, for the Senate in 2000.

But another statewide poll released Wednesday by Marist College's Institute for Public Opinion showed a narrowing of the potential race. It found Mrs. Clinton favored by 50 percent of voters with Mr. Giuliani the choice of 46 percent — a gap equal to the poll's margin of error of plus or minus 4 percentage points. (AP)

Gun-Control Bills to Face Off

WASHINGTON — The escalating controversy over efforts by cities to hold firearms manufacturers accountable for gun violence has moved to Capitol Hill, as two Democrats introduced a bill to regulate weapon safety and a Republican readied legislation to curtail lawsuits against gunmakers.

Congress's latest battle over guns came as a dispute within the firearms industry over how to respond to such lawsuits threatened the job of one of its leaders and put at risk a recently won debate among pro-gun groups.

Both developments stem from suits by local governments seeking damages from gun manufacturers and dealers and more recent efforts by state legislators, encouraged by the National Rifle Association, to preclude such suits.

The Democrats' bill to regulate gun safety, introduced by Senator Robert Torricelli of New Jersey and Representative Patrick Kennedy of Rhode Island, would require the federal government to regulate the design, manufacture and distribution of guns.

The bill to curtail lawsuits is being prepared by Representative Bob Barr, Republican of Georgia, an NRA board member and leading foe of gun control. (WP)

Walling Off Social Security

WASHINGTON — The Republican leadership is debating a plan that would force Congress to end the long-standing practice of using Social Security money for other purposes — but not necessarily right away. Needing money to pay for tax cuts and additional spending, House and Senate leaders Tuesday discussed allowing Congress to dip into Social Security retirement funds for the next several years but then walling the retirement system's money off from the rest of the federal budget.

The idea of weaning the Congress from reliance on Social Security's money has more support among House leaders than among their counterparts in the Senate, many of whom favor putting the retirement system's funds off-limits immediately. (NYT)

Quote/Unquote

Roger Salazar, a White House official, describing the scene as the White House press bus crashed into the plane that was to ferry them home after the president's vacation in Utah: "The entire bus, in unison, shouted 'Whoa.' I don't think I've ever seen this before." (Reuters)

MAASTRICHT
1999
International Fine Art and Antiques Fair
10 - 21 March
MECC Maastricht
The Netherlands
Information:
TEFAF
+31 73 614 51 65
www.tefaf.com

In Tomorrow's IHT

Leisure

Travel deals, art exhibits, restaurant reviews and movie guides are just a few of the things you'll find in the Leisure pages. Written with the international reader in mind, this column offers a broad range of options on how to spend leisure time, regardless of where in the world you may be traveling. Every Friday in the International Herald Tribune.

INTERNATIONAL
Herald Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST
THE WORLD'S DAILY NEWSPAPER

By Brian Knowlton
International Herald Tribune

"The United States, in my view, does not have a role to step in and do the same kind of mediation role they did in the Middle East," Representative James McDermott, Democrat of Washington, said last week, hours after returning from India.

"The risk of miscalculation may not have increased, but the cost of miscalculation has,"

The beautiful, mountainous region arouses

"Kashmir may be the last of the issues to be

Mrs. Schaffer said she saw no productive ground at present for "a major U.S. diplomatic effort."

Compiled by Our Staff From Dispatches

In a leadership shake-up, the military chief, General Wiranto, dismissed the regional police chief, who has been handling the religious clashes that have

On Monday, five people were killed when Christians attacked worshippers at a mosque near Ambon. The military

He pledged that hundreds more soldiers would be sent to Ambon in the next few days and said that they had orders to shoot troublemakers.

Young Muslim women crying Wednesday outside military headquarters in Jakarta during a protest over recent killings of Muslims in Ambon

The student protesters in Jakarta condemned the military's handling of the violence.

Compiled by Our Staff From Dispatches

"The park authorities should have

The Associated Press

crative one in a country where the national health program caps fees for most other operations.

By Elizabeth Rosenthal
New York Times Service

logue Delegation said that the government position "in no way" represented popular opinion. "We can not

The June Fourth massacre seriously damaged China as a country and

Deng Xiaoping is believed to have ordered the crackdown. Although the Chinese leader died two years ago, his successors, fearing they would be

appeals sent to the legislature. These included a letter from 44 dissidents in the northeastern province of Liaoning demanding an end to a penal system that allows detention without trial for

Some of the survivors were due to go to the central hospital in Kampala on Wednesday to identify the bodies of the victims, whose murder has caused inter-

The Assisted Buyer

clear what triggered the attacks, but it appeared that they had been carried out by people opposed to the victory of Olusegun Obasanjo, a retired colonial-era sergeant.

Continued from Page 1

Chi Lo, head of China research at HSBC in Hong Kong, said the proposed deficit, while low, represented a sharp

policy to give a big stimulus to the economy," a Western diplomat in Beijing said, "because they're just not getting in enough revenue to be able to afford to keep it going."

Among Victims

The Associated Press
PORTLAND, Oregon, April 11

there is going to be improvements in democracy, in economic transformation for the people, that women have to be very much a part of it," Mrs. Albright said.

Earlier the United News of India said the government was expected to test the Agni II missile from an island off the state of Orissa next week. (Reuters)

"They loved to travel around the world," said William Calder, an Intel spokesman. "We're shocked and stunned."

مكة من الأهل

Kashmir

Uganda Vow
To Hunt Down
Tourist Killers

IF YOU WANT TO SEE SOMETHING
done, just tell some human
beings it can't be done. Make it
known that it's impossible to
fly to the moon, or run a
hundred metres in nine-point-
nine seconds, or solve Fermat's
Last Theorem. Remind the world
that no one has ever hit
sixty-two home runs in a season.
Stuffed eighteen people into a
Volkswagen Bug. Set half the world
free. Or cloned a sheep. Dangle
the undoable in front of the
world. Then, consider it done.

HUMAN ACHIEVEMENT

 Merrill Lynch

EUROPE

London Gallery Fingers Works That May Be Nazi Plunder

By T.R. Reid
Washington Post Service

LONDON — It's not the most popular or the most valuable work in the collection, but all of a sudden Eugene Delacroix's powerful "Christ on the Cross" has become a must-see painting for visitors to the National Gallery.

The radiant canvas has become an object of attention this week because of its historical provenance.

Or, more precisely, its lack of one. It is one of several dozen important works that the National Gallery now fears might have been looted by the Nazis in the 1930s and '40s.

As part of an international effort to help restore Nazi plunder to its rightful owners, several major museums in England have said they would investigate any works acquired since 1933 that did not have a clear and Nazi-free chain of ownership.

The effort follows a conference in Washington in December at which 44 nations approved a set of guidelines for handling art looted by the Nazis.

"Nobody knows whether this kind of thing will lead to the restoration or compensation for any owners," said Janice Lopatin of the Holocaust Educational Trust, based in London. "But we wouldn't be asking museums to go through the process if we didn't suspect that there are works stolen by the Nazis in prominent collections around the world."

On Monday, the National Gallery listed 120 works of dubious provenance it had acquired since 1933, the year Hitler's National Socialist Party won control of the German government.

Museums around the world are expected to issue such lists; the National Gallery says it is the first to do so.

Its list includes two Monet landscapes and works by Rubens, Picasso and Pissarro.

The museum listed the Delacroix crucifixion because little is known about its whereabouts during the Nazi era. The 19th-century French painting is believed to have been in the collection of a German Jew until 1932, when it was sold at auction for a surprisingly low price. It turned up next in 1975 in the possession of a Paris art dealer, who sold it to the National Gallery the following year.

When the Third Reich fell in 1945, Allied soldiers found large caches of priceless art that had been snatched from private homes and museums all over Europe. Some works were returned to their prewar owners, but thousands of pieces passed into the world art market.

In recent years, museums and governments have been trying to develop an international system to track the Nazi plunder. British museums have agreed to provide the results of their investigations to the Art Loss Register, an inter-

national group that tracks stolen works and tries to return them to their owners.

The National Gallery has pledged to investigate the history of each object on its list and to try to establish a definite chain of possession to make sure it is not holding property stolen by the Nazis. But even a painting clearly determined to have been stolen by Nazis probably would not be returned to its owner.

British law bans the return of museum exhibits to their place of origin. That's why the British Museum still proudly displays the disputed Elgin Marbles, carvings that were chopped from the Parthenon in Athens and shipped here in the early 19th century. British museums are full of objects from around the world.

If a British museum were to determine an art work in its collection had been stolen by the Nazis, it would keep it but presumably offer compensation to the owner.

BRIEFLY

War Crimes Suspect Taken Ill in Croatia

ZAGREB — The former commander of Croatia's notorious World War II concentration camp was rushed to a hospital for unspecified reasons on the eve of his trial for crimes against humanity, the government news agency said Wednesday.

Dinko Sakic, 77, who had been extradited from Argentina in June, was to go on trial Thursday at the Zagreb district court for alleged offenses committed during his term as commander of the Jasenovac camp in 1944.

It was unclear whether the trial would be postponed. (AP)

France to Try Noriega For Money Laundering

PARIS — A French court plans to try the former Panamanian dictator Manuel Noriega and his wife, Felicitad, in absentia on charges of drug money laundering, officials said Wednesday.

The trial, scheduled to begin June 10, will focus on the alleged laundering of 15 million francs (\$2.5 million) in 1988-89 through some of France's leading banks.

Mr. Noriega is serving a 40-year prison term in the United States for money laundering and drug trafficking. (AP)

Swedish Child Aide Held for Many Abuses

STOCKHOLM — A Swedish day-care worker arrested for suspected child abuse may have assaulted up to 10 children in acts recorded on hundreds of pornographic videos and photographs, Swedish authorities said Wednesday.

The 22-year-old unemployed man was arrested in Orebro on suspicion of repeatedly raping his girlfriend's five-year-old son. The case has shocked the country and undermined confidence in Orebro's social services. (Reuters)

Britain Raises Stakes In Gibraltar Dispute

LONDON — The British government announced Tuesday it wanted to obtain the right for Gibraltar residents to vote in European elections, in an initiative certain to raise the hackles of Madrid.

The initiative comes at a time of tense relations between London and Madrid over Gibraltar. The conflict erupted in January over fishing rights in the waters surrounding the peninsula. (AFP)

NATO Reluctant to Strike Serbs Now

By Steven Lee Myers
New York Times Service

WASHINGTON — Although NATO remains poised to act, the United States and its allies have no intention of launching punitive strikes against Yugoslav military targets at this point despite an army buildup and renewed fighting in Kosovo, according to administration officials and NATO diplomats.

Yugoslavia's deployment of heavy

weapons and increase in the number of special police officers, as well as renewed attacks, clearly violate the cease-fire agreement brokered last autumn between the Yugoslav government and ethnic Albanian rebels fighting for Kosovo's independence, officials said.

The North Atlantic Treaty Organization said at the time that it would enforce the cease-fire with military force, if necessary.

But the officials, who spoke on the

condition of anonymity, said that a strike against Yugoslav forces now would scuttle efforts to reach an accord between the two sides once peace talks resume near Paris on March 15.

[The United States on Wednesday said progress had been made in talks to convince ethnic Albanians to accept a peace deal on Kosovo, Reuters reported from Washington.]

"There's good progress with the Kosovars," said David Leary, a White House spokesman. He said there were "indications that they are going to officially embrace the political settlement and we are encouraged by that and we're going to move forward to lock that in."

The U.S. officials also said it was hard for the NATO allies to contemplate striking Yugoslav military targets when the rebel factions also have violated conditions of the agreement with ambushes and kidnappings.

With the rebels seemingly as reluctant as the Yugoslav government to move toward a peace agreement at the last round of talks last week in France, the case for NATO air strikes also was weakened.

"We're back to square one again," a Pentagon official said Tuesday. "NATO has pulled out the 'we're ready to act' card way too many times." He said NATO could still resort to force, but only if the Yugoslav violations of the cease-fire become much more grave.

"What we don't have at this point is a pre-emptive deal of violence at which NATO will respond," a NATO diplomat in Washington said. "It will be judged when it happens."

Rebel to Head Ethnic Albanians

By R. Jeffrey Smith
Washington Post Service

PRISTINA, Yugoslavia — Hashim Thaqi, a senior commander of the rebel Kosovo Liberation Army, was named to head a provisional government established by the province's ethnic Albanian majority, eclipsing the role played by Ibrahim Rugova, a pacifist long supported by the United States.

U.S. officials said they hope to persuade Mr. Thaqi, 29, to embrace non-violent politics during a scheduled visit by Kosovo's ethnic Albanian leaders to Washington, during which the Clinton administration will seek backing of a Western plan to end the year-old ethnic war in Kosovo, a province of Serbia, the dominant republic of Yugoslavia.

According to an announcement by the Kosovo Liberation Army late Monday, Mr. Thaqi will be the prime minister of an unofficial interim government established by ethnic Albanians to rule until a

peace accord is signed and elections are held for new members of a Kosovo Parliament, perhaps later this year.

Mr. Thaqi served as head of the ethnic Albanian delegation at talks with Yugoslav officials in France last month and opposed signing the peace accord. The talks ended without agreement, and the United States and its European allies have asked the two sides to return to France to resume talks on March 15.

Mr. Thaqi's appointment, which was approved by other ethnic Albanian political leaders who took part in the talks, marks the end of a two-year slide in influence for Mr. Rugova. In elections not recognized by Yugoslavia or Serbia, he was overwhelmingly chosen president of Kosovo's ethnic Albanians in 1992. But Mr. Rugova, a literary critic who rose to prominence as a dissident during the Communist era here, was accused of weak leadership that helped galvanize support for armed resistance to Serbian rule.

BERLIN: Spy Files Are Sore Point

Continued from Page 1

Karsten Voigt, the coordinator of U.S.-German relations for the German Foreign Ministry, said it was ironic that in the eyes of many Germans, the United States is aligning itself with former Communists and their sympathizers who have been trying desperately to cover up the truth about their past.

"We simply find it hard to understand how a great country, which says it stands for freedom, behaves like those in Germany who are trying to block access to the files," Mr. Voigt said. "If this perception is allowed to continue, it could create a lot of problems for our relationship."

Senior German officials said they suspect that the United States is hiding information on the Stasi's penetration into West Germany. During the 40-year history of East Germany, officially called the German Democratic Republic, between 20,000 and 30,000 West Germans are believed to have worked for the Stasi. With language posing no obstacle, it easily infiltrated almost every sector of West German society, including business, politics, academia, labor unions and the media.

Yet, German officials who have been allowed to see what they call "sanitized" versions of the files in Washington have been allowed to copy the names of only 1,500 agents who operated in the West. The possibility that many Stasi collaborators in the West are escaping retribution for acts of betrayal — with the perceived consent of the United States — has stirred resentment among East Germans who were forced to endure the pain of confronting their complicity with the repressive Communist regime.

In 1995, Germany's constitutional court

Kurdish Rebels in Turkey Move to Replace Ocalan

ANKARA — Kurdish rebels in Turkey have taken steps toward choosing a new leader to replace Abdullah Ocalan, a Turkish newspaper said Wednesday.

The newspaper Milliyet said a meeting of the Kurdish Workers Party had appointed a senior commander, Cemil Bayik, as the guerrillas' "high authority."

Mr. Ocalan, who founded the rebel movement and led its armed campaign for 14 years, was seized in Kenya last month and flown to Turkey for trial on treason charges. Kurdish sources said any new title for Mr. Bayik did not mean he was a direct replacement for Mr. Ocalan but was recognition that he now had a

greater role in the rebels' fight for Kurdish self-rule in southeastern Turkey.

Mr. Bayik, in his late 40s, was a fellow founder of the guerrilla group in 1978 and is alleged to have planned an attack on the army in 1984 that is regarded as marking the start of the armed campaign.

He is believed to have been fighting in the mountains of Turkey and northern Iraq since then, unlike Mr. Ocalan who lived in Damascus for 18 years until late 1998, when Syria threw him out under pressure from Turkey.

Milliyet said Mr. Bayik's promotion had dealt a blow to the leadership hopes of Mr. Ocalan's brother Osman.

Another senior guerrilla commander on

trial for treason blamed Abdullah Ocalan for a 1993 attack on a bus in which 33 unarmed soldiers were killed. The assault broke a unilateral ceasefire declared by the rebels.

"There was never a full ceasefire because the army continued operations," Semdin Sakik told a court in the southeastern regional capital Diyarbakir. "The rebels' former No. 2, Mr. Sakik was snatched by Turkish forces in northern Iraq last year shortly after he defected from the group following a break with Mr. Ocalan."

A soldier was killed and five injured in an overnight Kurdish attack on a convoy on the main road between Diyarbakir and the nearby city of Mardin, security officials said.

domineering U.S. attitudes that reflect the Cold War days, when American intelligence employed an estimated 25,000 people in West Germany and treated the country more as a quasi-protectorate than a sovereign ally.

In March 1997, Germany ordered a CIA officer to leave the country after he was caught trying to persuade an Economics Ministry official to hand over information about high-technology deals with Iran. More recently, the Schroeder government became upset when the United States gave no warning it was assisting Turkey in the pursuit and capture of Kurdish rebel leader Abdullah Ocalan in Kenya — an event that sparked violent disturbances among the 500,000 Kurdish exiles living in Germany.

"The Cold War may be over, but we still share a lot of common goals and common threats that should make us see it in our own interests to work together," a senior German official said. "But this can only be done on a basis of mutual respect, which we do not seem to be getting from Washington these days."

Dusty Springfield, Pop Singer, Dies at 59

By Stephen Holden
New York Times Service

Dusty Springfield, 59, the smoky-voiced English torch singer whose interpretations of pop ballads were suffused with a heartbroken wistfulness, died Tuesday night at her home in Henley-on-Thames, west of London.

She died of breast cancer, her agent, Paul Fenn, said. She had been battling the disease since 1994.

Ms. Springfield had one of the longest recording careers of any contemporary pop star, beginning in 1961, when she had the first of several hits with her folk-pop trio, the Springfields, and ending with her 1995 album, "A Very Fine Love." She had most her major hits in the 1960s, when she was considered the British equivalent of Dionne Warwick, and recorded only intermittently after the early 1970s.

Her career was briefly rejuvenated in 1987 when the English

duo the Pet Shop Boys (Neil Tennant and Chris Lowe), who were longtime fans, produced her top-five hit, "What Have I Done to Deserve This?" They also wrote and produced "Nothing Has Been Proved," the dense, swirling post-disco theme song from the 1989 movie "Scandal," about the Profumo sex scandal that had rocked the British government.

Ms. Springfield became an international pop star in 1964 with "Only You (And the Memory of Me)," a peppy early-Beatles-style love song.

Other major 60s hits included "Wishin' and Hopin'" (1964), and "The Look of Love" (1966), both written by Burt Bacharach and Hal David, the team that supplied Ms. Warwick with most of her early hits. Ms. Springfield's sultry rendition of "The Look of Love" from the soundtrack for "Casino Royale," anticipated the heavy-breathing eroticism of Donna Summer a decade later.

Her best-seller, "You Don't

Have to Say You Love Me" (1965), was a big belting tear-jerker that reached No. 4 on Billboard's singles chart. The country-soul ballad "Son of a Preacher Man" her Top 10 hit from 1968, was new respect after being prominently featured in the 1994 movie "Pulp Fiction."

Dusty Springfield was born Mary Isobel Catherine Bernadette O'Brien on April 16, 1939 in Hampstead, London.

While attending British convent schools, she discovered the music of Peggy Lee, whose intimate come-hither style was a major formative influence. She got her professional start with an Andrews Sisters-style group called the Lana Sisters, but quit to form her own folk-pop group, the Springfields, with her brother Tom and a friend, Tim Field. Promoted as a British answer to Peter, Paul and Mary, the group had a popular British television program and scored several English hits before breaking through in America with a top-20 single, "Silver

Threads and Golden Needles."

After the 1970s, the singer led a peripatetic existence, living sometimes in Los Angeles, the Netherlands, and London. In 1997, Mercury Records released a three-CD, 77-song anthology of her career, "The Dusty Springfield Collection."

Harry L. Rossell, 89, Drew "Smoky Bear"

Harry L. Rossell, 89, a Forest Service illustrator whose "Smoky Says" newspaper cartoons helped make Smoky Bear almost as famous as Santa Claus and an almost universally recognized symbol of forest fire safety, died last Thursday at a hospital near his home in Atlanta.

Mr. Rossell, an illustrator in the Forest Service's regional office in Atlanta since the mid-1930s, was in the navy in San Francisco, drawing morale-boosting posters for the Treasure Island base when Smoky Bear was created by committee in 1944.

2d Balloon Team Bides Its Time Over Africa

The Associated Press

GENEVA — The Swiss-British balloon team racing to be the first to circle the globe nonstop flew over North Africa on Wednesday and decided to hold off entering the speedy jet stream winds.

At an altitude of 5,700 meters (19,000 feet) and a cruising speed of 65 kilometers (41 miles) an hour, the Breitling Orbiter 3 balloon crossed the Moroccan coast in mid-morning of the third day of its undertaking before flying toward Algeria and Libya.

The crew planned to hold off entering the jet stream to conserve its southern trajectory and avoid crossing over Iraq. Instead the team planned to fly over Saudi Arabia before hitching a ride on the fast jet stream winds, meant to speed the balloon around the world in a target of 16 days.

The control center in Geneva said the team was in high spirits after a spectacular flight over the Atlas Mountains under a full moon Tuesday night.

The Swiss balloon lags behind a rival British one, which took off Feb. 17 from Spain and is over Southeast Asia. It has broken all records for the longest time spent in the air.

مكتبة جامعة القاهرة

BRIEFLY

War Crimes Suspect Taken Ill in Custody

AN AMERICAN SUSPECT IN THE 1971 SLAYING OF THREE AMERICAN STUDENTS IN SOUTH VIETNAM was taken ill while in custody, U.S. officials said. The man, who was identified as a member of the Viet Cong, was being held in a U.S. military prison in Vietnam. He was taken to a hospital in the United States for medical treatment. The man was identified as a member of the Viet Cong, a group that was active in South Vietnam during the Vietnam War. The man was taken to a hospital in the United States for medical treatment. The man was identified as a member of the Viet Cong, a group that was active in South Vietnam during the Vietnam War. The man was taken to a hospital in the United States for medical treatment.

France to Try for Money Loan

FRANCE IS ASKING THE INTERNATIONAL MONETARY FUND for a \$1 billion loan to help it pay for the reconstruction of the country after the war. The loan is part of a larger package of aid that France is receiving from the IMF. The loan is part of a larger package of aid that France is receiving from the IMF. The loan is part of a larger package of aid that France is receiving from the IMF.

Swedish Child Held for Money

A SWEDISH CHILD WAS HELD FOR RANSOM BY A GROUP OF ARMED MEN in a village in the north of the country. The child was held for several days before being released. The child was held for several days before being released. The child was held for several days before being released.

Britain Raises In Gibraltar

THE BRITISH GOVERNMENT HAS ANNOUNCED A RAISE IN THE RENT OF HOMES IN GIBRALTAR. The raise is part of a larger package of measures that the government is taking to improve the economy of the territory. The raise is part of a larger package of measures that the government is taking to improve the economy of the territory. The raise is part of a larger package of measures that the government is taking to improve the economy of the territory.

Replace Ocalan

THE TURKISH GOVERNMENT IS ASKING THE UNITED NATIONS to replace the current member of the Security Council with a new member. The new member would be a country that is not a member of the United Nations. The new member would be a country that is not a member of the United Nations. The new member would be a country that is not a member of the United Nations.

21 Billion for 10. Low the

21 Billion for 10. Low the

21 Billion for 10. Low the

21 Billion for 10. Low the

21 Billion for 10. Low the

21 Billion for 10. Low the



TribTech

ALT / Commentary

An Internet Quest For Talk Radio

By Fred Barbash
Washington Post Service

WASHINGTON — Many of us listen to radio at night to fall asleep, or to go back to sleep when we wake up at 3 A.M., or to occupy our minds when neither of the previous two options is possible.

For us, the Internet is a potential godsend. It offers talk — news, discussion, high-toned material — from around the world. What it brings is far superior to anything available via conventional broadcast in Washington.

For example, the BBC's "Up All Night" program — the best English language all-nighter in the world, which I came to love when living in London — is available by broadcast in Britain but is accessible on the BBC Web site with some great software called RealAudio, sold by RealNetworks, and with technology called streaming.

It's only a "potential" because, while sleeping with a radio is perfectly normal, curling up with a PC or a laptop, tethered to a phone line, plugged into the wall, is just plain sick. If you're doing that, seek counseling. I, for one, want no part of it, and neither does my wife.

And, not now in possession of a modern laptop, I dread the ignominy of buying one just to listen to the radio — \$2,500 for a radio.

So recently I set forth on a search for a better way to listen in bed to the amazing array of nonmusical broadcasts, news, discussions, interviews, good clean talk, available on the Web, certain that by now someone had come up with just the right device.

Going with my best instincts, I tried the simplest thing first: I put a tape recorder in front of my computer's speakers and taped the program, trying hard not to listen. I took the tape recorder to bed. This was fine — for an hour — and then the tape ran out.

SURELY, I thought, there must be a better way. I had read of the MP3 music player, a Walkman-type device that plays music downloaded from the Internet. I went looking for a similar gizmo for voice radio, and sure enough, the people at RealNetworks directed me to the antible mobile player, sold by Audible.com.

Jonathan Korzen, the media-relations manager there, explained how this shirt-pocket-sized device works. It's simple. First you buy it (\$199 or \$99, depending on what else you agree to purchase at Audible.com). Then you download the special software that lets it decipher the service's audio files.

Then you go onto www.audible.com, select from many choices of programming — it might be someone reading "The Wall Street Journal" or columnists reading their columns or books and specific programs (such as "Fresh Air" with Terri Gross, at \$6.95 a month).

Mr. Korzen says it takes roughly eight or nine minutes to download an hour of talk on a 56K modem (which means it'll take considerably longer for most people, because few obtain real 56K speed). Then, using the free software, you transfer the file to the mobile player, which takes roughly two minutes. Then you can listen to a headset (there's no speaker), either at home, in your car, while working out or, yes, in bed.

Simple, like the man said. There were only two problems besides all the rigmarole: I don't like paying and, while they offer many interesting programs, the BBC's are not among them. You can listen to the BBC on the Internet, but its security features prevent you from downloading it, saving it and listening when you want.

So I called the BBC. They don't intend to make programming available for download, said Simon Rahaman, a spokesman for BBC Online. Rather, the BBC is trying to get U.S. broadcasters to carry portions of the BBC World Service, which is now a pain to find on shortwave.

THE BBC is not the only programmer reluctant to allow download, which you can store, versus streaming, which you can't, and the RealAudio software people are reluctant to press them. One of the things that's boosted RealAudio, said Philip Rosedale, chief technology officer at RealNetworks, is the certainty among broadcasters that the software cannot be used without their express cooperation, to copy programming as a file. They worry that someone might start distributing these files by e-mail.

This fear among broadcasters is comparable to the concerns of the film industry when VCRs hit the market and to the panic the music industry is now showing as computer users obtain digital recordings from the Web for nothing or next to nothing.

But it isn't the same. If I download Celine Dion, she's probably losing the \$15 I might pay for her CD. If I download "Up All Night," the BBC loses nothing because I have no other access to it. But it gets something: my loyalty. Indeed, even if British listeners chose to download "Up All Night" rather than listen to it on their radios, the BBC would lose nothing because they don't take advertising on Britain's public network.

Very shortsighted! Very inconvenient, too. Mr. Rosedale of RealNetworks assures me that hardware makers will soon be marketing small devices — perhaps dedicated to live Internet broadcasts, perhaps just glorified cellular phones — that I can take to bed with me.

But, he said, he's "actually a fan of putting the laptop by the bed," so he can look up stuff on the Internet. And I have to admit, after hearing of the possibilities, that I'm on the verge of buckling, too.

All I ask, before I do, is that someone design a laptop that's soft, a pillow-top rather than a laptop, or one in the shape of a teddy bear.

I'd feel better about the whole thing. Fred Barbash, a business editor at The Washington Post, can be e-mailed at barbash@washpost.com.

Forensic DNA Chip



DNA is fluorescently dyed, sliced into pieces and squirted into an entry hole on the chip. An electric current pulls the sample along the short bar of an etched cross.



Voltage is switched, pulling a minute portion of the sample down the long bar of the cross. Smaller fragments travel faster, sorting the fragments by size.



Laser is shot at the long bar, making the fluorescent pieces of DNA glow as they pass, effectively reading the genetic code as it zips by.



A computer spits out a line graph where peaks show the distinct features of an individual's genetic makeup.

By Peterson Clark/The Washington Post

Law Officers Look Forward to Crime 'Labs' on a Chip

By Robin Lloyd
Washington Post Service

CAMBRIDGE, Massachusetts — Dan Ehrlich foresees a day when cops on the beat will have a gadget that could produce a unique genetic profile quickly from DNA in blood, saliva or semen at a crime scene.

Mr. Ehrlich and his colleagues at the Whitehead Institute for Biomedical Research are among several groups across the United States working to perfect a reusable "lab" on a microchip that could do that in two minutes.

The idea is that the chip, which fits easily in the palm of the hand, could be combined with miniature chemistry kits to prepare the sample and a laptop computer to receive, graph and check data against growing state or federal databases to identify — or clear — people who may have left genetic trails behind.

"So far, DNA technology has been the tool of 'offer of proof,'" said Lisa Forman, who runs a research branch of the National Institute of Justice, which started doling out \$5 million in grants this year to speed DNA chip technology. "You have a suspect, and so you screen for something. We'd like to see it used as an investigative tool: 'We know we have biological evidence at this scene. Who's here?'"

The DNA chips are the result of a marriage between molecular biology and the precision engineering technologies that gave rise to Silicon Valley.

The forensic chips represent just one of dozens of technologies and applications that arose from the insight a few years ago that microchips could serve as ultrafast platforms for genetic, chemical or electrical "tweezers" to pick out tiny, telling pieces of DNA.

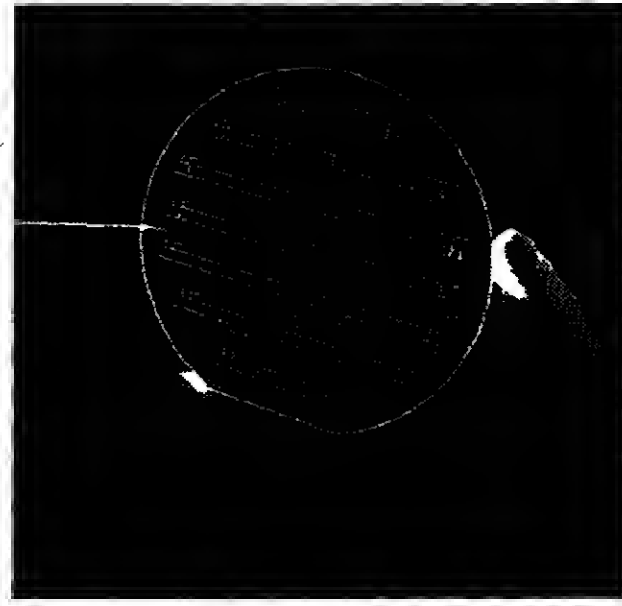
Drug companies are trying to use the chips to develop pharmaceuticals compatible with patients' genetic idiosyncrasies. Health-care providers are looking forward to using chips for on-the-spot diagnoses of viruses, bacteria or genetic defects.

Some scientists with the federally funded Human Genome Project hope the chips will speed their effort to crack out the 3 billion chemical components that make up human DNA. And administrators of forensic laboratories in Virginia and Florida are interested in using the chips to speed operations and eliminate backlogs at their traditional laboratories.

A portable lab for forensic applications still is about two years away.

To create the devices to be used in the field, researchers have scaled down a highly reliable approach to reading off brief repeating sections of DNA, called short tandem repeats, or STRs, found at landmarks along the serpentine genetic molecule.

The sites are found within sequences thought to be "non-coding" — they reveal nothing about a person's hair or eye color, height, weight, predisposition to disease and so forth. But they are well-known to DNA researchers who have found that individuals inherit two "stutter patterns" per landmark



Samples containing DNA would be put on this disk for the sequencing work used to identify individuals.

— say, a four-letter sequence repeated four times from the father and six repeats of the sequence from the mother.

Those patterns can be used to confirm paternity, but a pair of repeats at one landmark is hardly enough to identify someone with certainty. For that, the FBI has set a standard of a combination of 13 specific landmarks or sites along human DNA as statistically sufficient for a "unique" identification of an individual.

THE WHITEHEAD group's gadget works by mixing a DNA sample with slicing, copying and fluorescent labeling chemicals inserted into an ultraslender channel etched on a plastic microchip. Tiny electrodes attached to the channel's ends pull the molecular fragments, naturally negatively charged, past a laser that makes the pieces glow and detects the sequence of the DNA's chemical "letters" as they pass through.

The results, a count of the number of stutter repeats at the DNA landmarks, could be submitted via a laptop and modem to a central computer. A match would be sought in a state database or the FBI's new centralized database, which has 231,235 genetic profiles of convicted offenders that have been submitted by labs in 42 states.

Chips made by two of Mr. Ehrlich's colleagues, Dieter Schmalzing and Lance Koutny, can get results on 10 DNA

landmarks in two minutes. His researchers expect to expand the results to the FBI's 13 in the next months.

The technology is much cheaper and 10 to 100 times as fast as the DNA "fingerprinting" techniques that were used in the O.J. Simpson murder trial, Mr. Ehrlich said.

Still, the chips would not prevent "chain of custody" mishaps like those that dogged Mr. Simpson's prosecutors. Evidence still would be collected by fallible humans before it made it to a briefcase laboratory at the scene. But they would make the path from collection to analysis a lot shorter.

Every U.S. state now has a DNA database law that requires convicted sex offenders to submit a blood sample for genetic profiling, said Steve Niezgoda, who is with the FBI's Combined DNA Index System, the agency project to gather state data into a national database. Many states require DNA testing of all convicted felons; the Louisiana legislature recently passed a law that forces testing of those merely arrested and accused of felony sex offenses.

So far, the FBI project has yielded 583 hits, results that have provided investigators with a lead that otherwise might not have been developed.

CIVIL-LIBERTIES watchdogs are alarmed by the creation of DNA databases, in part because some laboratories keep biological samples indefinitely. What if that noncoding DNA turns out to be genetically revealing?

"Anything that makes it easier and cheaper to create a DNA database is dangerous because it will increase the impetus to DNA-test," said Barry Steinhardt, associate director of the American Civil Liberties Union. "We don't oppose specific technologies, but what we are concerned about is the creation of the data banks."

The forensic microchips probably will accelerate the pace at which data are added to state and federal databases, and backlogs at labs and help solve more cases. They also raise the specters of forced DNA sampling of all citizens and of genetic discrimination.

The Whitehead researchers are wary of the brave new world that could result from their work.

"The scary aspect of this, from a civil-liberties point of view, is that normal citizens leave this kind of sample around all over the place every day," Mr. Ehrlich said. "Every place you leave a hair behind or perhaps just the rim of your coffee cup becomes 100 percent accurate of where you were, when."

Richard Mathies, whose laboratory at the University of California at Berkeley is doing competing research, is an adviser to the National Human Genome Research Institute. The grouping, part of the National Institutes of Health, has been encouraging the U.S. government to adopt DNA legislation to protect the rights of individuals. But Mr. Mathies also was vocal about the good to be derived from the growing technology.

"The other goal, of course," he said, "is to get the great potential of this technology, so it's doing good for the health of the people in this country."

Adobe's New Layout Software Aims at Challenging Quark

By Lawrence M. Fisher
New York Times Service

SAN FRANCISCO — The publishing world has long been split between integrated systems from companies such as Aldus and ILL, which typically run on minicomputers or mainframes, and desktop systems such as Quark and PageMaker, which run on Macintoshes, personal computers and PC-based servers.

And on the desktop, the world is largely split between Quark Inc.'s QuarkXPress and Adobe Systems Inc.'s PageMaker.

This week, Adobe introduced what is referred to by many as the publishing industry's Quark-killer. Adobe executives do not use that term themselves, but they make no bones about attacking Quark in its core market for high-end page-layout software.

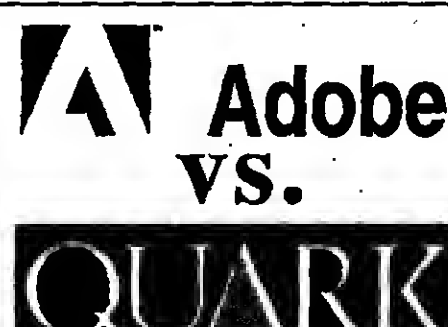
Rather than an update of Adobe's familiar PageMaker program, InDesign is an entirely new product, the company's first in five years. Adobe is positioning InDesign as a bridge between large systems and desktops. It is designed both to stand on its own in smaller installations and to be bundled with integrated systems for larger publishers.

InDesign is scheduled to ship in late spring, with versions for the Macintosh, Windows NT and Windows 98, at an estimated retail price of \$699. Adobe is shipping an updated version of PageMaker, version 6.5 Plus, available March 15, at \$499, or \$99 for upgrades from previous versions.

Customers have been testing so-called alpha and beta versions of InDesign for a year. John Warnock, the chairman and chief executive of Adobe, said he had no doubt it was partly the product's visibility that prompted an overture from Quark last year. When Adobe's shares hit a four-year low, Quark Inc. floated an informal, and unwelcome, offer to buy the company.

"They see a freight train coming their way," Mr. Warnock said. "They saw our stock price as low, so why not try to knock it out with a preemptive offer?"

But Tim Gill, the founder and chairman of Quark, said it was the combination of the stock price and existing products, not InDesign, that attracted his attention.



"I had forgotten about InDesign when we did the offer, which doesn't mean plenty of people didn't remind me about it," he said. "There are a couple of features it has that are really neat, and a lot of features that have been in QuarkXPress for some time. I assume they're going to do a good job, but I don't think we're going to lose market share."

TWO CHARACTERISTICS distinguish InDesign from previous page-layout programs, one of which will be evident to any user, the other more important to developers who want to add capabilities to the program.

First, InDesign can work with any images created in Photoshop or Illustrator, so it is not necessary to export a picture or a graphic to some generic format, and it allows much greater manipulation without exiting the program. InDesign's user interface is identical to that of Photoshop and Illustrator, so it will look and work in familiar ways.

Jay Vieschow, a computer-industry analyst with Merrill Lynch & Co., said most publishers, including Quark shops, already used Photoshop and Illustrator. "The target market for InDesign is one which Adobe has a lot of familiarity with and which is already using its other products," he said. "Adobe will not be coming to these high-end users as an unknown quantity by any means."

Equally important, InDesign was written using modern modular software design, unlike PageMaker and Quark, whose architectures date to the 1980s. The core program occupies just 1.6 megabytes, a small fraction of the computer memory demanded by most desktop applications, and all major functions are performed by plug-ins, as on a Web browser.

THIS MEANS that Adobe can add or upgrade portions of the program easily but, more important, that third parties can easily add value to InDesign by creating custom plug-ins.

Doo Oldham, the president of Digital Technology International, in Springfield, Utah, a leading system integrator for the newspaper industry, said: "I can as a developer use the components of InDesign and integrate it very tightly into a true newspaper work-flow system."

"The thing that Adobe has done that Quark doesn't is to open their development environment to us," he added. Both the plug-in capability and the integration with Photoshop and Illustrator appeal to Jeffrey Fulton, the technology director for Time Inc.'s business information group, which has been testing InDesign for a year. With Quark, you had to do all your image work before you went to page layout, he said.

"People are just fed up with QuarkXPress, so that they're ready for something really new," he added.

But analysts said Adobe needed developers such as Digital Technology if it was to meet Quark head-on. Mark Walters, editor of "The Seybold Report on Internet Publishing," said: "Because Adobe doesn't have all of the pieces yet, they need to get these other developers to support them."

He added: "The plug-in architecture is critical to attracting the mass of developers that have been following Quark. The product has a strong feature set, but by itself that isn't enough."

Suzanne Soygy, an analyst with Datquest Inc., said good technology was not enough either. "The biggest issue for Adobe is the matter of standards," she said. "Once you commit to a program like QuarkXPress, companies and people are reluctant to change, just because of the pain factor. Just because a product is best doesn't mean people will change."

TECHNOLOGY INDEX

Technology stock indexes around the world:

	Tuesday close	Pct. change previous week	Pct. change year to date
North America			
Pacific Exchange Tech	456.72	+1.23	+1.67
S&P Tech Composite	1,174.34	+0.53	+0.53
Europe			
Morgan Stanley Eurotec	627.62	+2.81	+2.81
Asia			
Topix Electric	1,571.28	+1.86	+1.86

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see TribTech on the IHT's

World Wide Web site at <http://www.ihl.com>. Articles include:

- New Engines Can Improve Web Searches, Feb. 25
- Y2K Bug Is Deamed World Crisis, Feb. 25
- Speed Lane on the Cyber-Highway to Be Tested, Feb. 25
- Acer to Stop Retail Sales in the U.S., Feb. 25
- Sony to Propose New Anti-Piracy System, Feb. 25
- Philips Pursues VLSI to Broaden Chip Range, Feb. 27-28
- MCI WorldCom to Pursue Major Expansion in Asia, March 2
- Job Cuts at Baan Lead to Big Loss, March 3
- Marmesman: Potential Big Winner in Olivetti Deal, March 3
- Alcatel to Buy Network Firm Xylan, March 3

To reach TribTech editors or to comment on IHT tech coverage, send e-mail to tribtech@ihl.com.

BRIEFLY

BERTELSMANN SELLS ON-LINE: Bertelsmann AG opened its electronic-commerce service, BOL, in Britain on Wednesday, putting the German media giant into direct competition with Amazon.com to sell books in Europe's biggest on-line market.

Bertelsmann says that on-line retailing in Europe, where revenue was just one-eighth of U.S. levels last year, is set to explode. It projects that sales of books, CDs and software will total \$175 million (\$283 million) this year, including \$110 million in Britain.

The start of the British site, accessible at www.bol.com, follows the beginning of service in Germany and France last month and will be followed by sites for the Netherlands and Spain. (IHT)

IS 'BE' TO BE OR...? In January, Be Inc., a tiny software company, briefly came into focus at the Microsoft antitrust trial when a Microsoft executive asserted that Be could soon be a major competitor — no matter that Microsoft controls 90 percent of the market for PC operating systems and Be virtually none.

Be's founder and chairman, Jean-Louis Gasee, is planning to test Microsoft's hypothesis. Be will license its operating system free for a year to any manufacturer willing to install it and make it an option for buyers to select the first time they switch on their computer. Mr. Gasee said he was discussing the idea with at least one major PC maker. (NYT)

LONGER LIFE FOR PLAYSTATION: Sony Corp. probably will keep making the original PlayStation even though it introduced a successor to the best-selling video-game console this week, according to an executive at a U.S. company that supplies components for both machines.

"They're both going to be shipping for a long time," said Bruce Eakin, vice president of worldwide marketing at LSI Logic Inc., a maker of customized microchips. Sony said it had not set a date for phasing out the four-year-old PlayStation. (Bloomberg)

NEW WAY TO PAY ON THE NET: The Wall Street Journal began selling a "daily edition" on-line this week for \$1.95, becoming a guinea pig for a new transaction network on the World Wide Web.

Never mind that you can pick up a paper copy of the Journal for 75 cents, or that you can subscribe to the Internet edition for a full year for only \$59, about a third of what a Journal print subscription costs.

Morningstar Inc. will use the transaction system to sell individual research reports on mutual funds, and the industry Standard, a trade magazine, plans to sell data it collects on the Internet economy.

The companies say the new transaction method finally is a way for them to ring up "micropayments," tiny bills that users will run up each time they download news or buy another service. (WP)



A PHONE FOR YOUR PAD — The Mouse Phone, a handset-in-a-mouse made by Alphaomega Soft of Japan, is due to go on sale in its domestic market next month.

مكتبة الأمل

INTERNATIONAL



Gucci's peasant dirndl with leather top and fur coat.

Sassy Gucci Shows Its Fighting Spirit

By Suzy Menkes
International Herald Tribune

MILAN — A powerful Gucci show — taking its sexy, modern image to a sophisticated new level — has raised the stakes in the bidding war for the luxury goods company.

If designer Tom Ford is this good, shouldn't Bernard Arnault be offering more for a hostile takeover of the flash-and-dash brand by LVMH Moët Hennessy Louis Vuitton?

And if Ford and Domenico De Sole, Gucci's president, were to be driven out by the boardroom battle, wouldn't

MILAN FASHION

Gucci shareholders be worse served than by an amicable settlement?

"I can't imagine working without Domenico — we are a partnership," an emotional Ford said backstage, after taking the brags for his show and receiving raves from store executives.

Sitting with Donatella and Santo Versace in an apparent show of Italian solidarity, De Sole also praised Ford.

De Sole, an Italian-born, American-trained lawyer, said of his maneuver to create "ghost" shares for Gucci employees in order to help ward off the corporate invader: "I've done the right thing and I'm proud of it — and I'd redo it any time."

"If Arnault wants the company, he should pay the proper price for it," he added.

The wonder is how, with all the financial drama, Ford could have concentrated on creating a collection — let alone such a good one.

After a couple of seasons coasting, he returned to the essence of Gucci: the skin trade. Leather came out every which way: as a body-hugging jacket; as a ridged hugging jacket; as a breast-plate worn with a velvet skirt under a red fox coat — one of many furs in the sensual show.

Ford's take on fashion is always sexy but ironic. And what could be more so than the prim and innocent peasant blouse in black leather or cobweb-fine knit, cupping the bosom? The designer's favorite hippies had morphed into ultra-sophisticated peasants, sleeves gathered at the wrist, coats bound with leather thong belts and skirts as jewel-rich velvet dirndls, low-slung from the hips.

In the more familiar disco style, there was a reprise of Ford's favorite bell-bottoms, as skin-tight lace pants throbbing with desire — some even with mink tails dangling at the ankles. Over the top? That's the point and the joke — and the reason that rock chicks will be fighting over them.

But to the steamy story, Ford had added new elements: refinement and romance. Out went all the sporty utility elements of last season. And even Hollywood flash moved into graceful mode as pants, skirts and high-heel boots were gently ruched like Odeon movie theater curtains. Embellishment included velvet roses,

tiny bows on the gathered sleeves and dangling bead embroidery smothering the vertiginous shoes.

In a strange way, the long show, with classically elegant coats and little black cocktail dresses embedded among the flashy pieces, seemed more serious than usual about the clothes. And very haute couture. Ford is ready for his close-up — if Gucci falls into French hands.

Since imaginatively cut nouvelle couture has been the strength of Josephus Mulier's Thimister's Paris shows, much was expected of his debut at Gucci — a house whose designers use the revolving door. But the only hint of the Dutch designer's talent was in the trademark elbow-length gloves and an opening of fresh cotton shirt with long black leather skirt. The rest might have been designed on autopilot: the tailored group, the leather group, the gray flannel group. Heads up! Here's a sporty four-pocket military jacket. Then a sea of bias-cut evening dresses washing down a long runway that made a dull show seem duller.

It is tough for houses without a strong fashion personality to know which way to turn. Ferragamo had the Israeli-American singer Noa belting out her big numbers as a parade of tasteful, luxurious, but surprisingly hunky clothes walked the runway. Sportswear was the theme, and Yohji Yamamoto was the big influence.

That resulted in some strange marriages, such as Ferragamo's superlight alpaca knitwear as long shrouds of dresses, its leather coats as Victorian floor-scrappers, and a duvet coat wrapped like a kimono. And whatever possessed the six-strong design team to design pants so long and wide that the house's stylish shoes peeped out like frightened mice?

The best of the show was in the elegant ease of coats in reversible leather; in the classy pale colors like hatterscotch and putty, with some richer petrol blues; in fluffy sweaters with lines of sparkles. What was quintessentially Ferragamo? Long black coats flashed a lining of the house's nature-loving silk prints.

And never say die for sportswear, whether it is dressed down for fast action or dressed up as formal wear. At Byblos, designer John Bartlett's funky program notes described the fast life of a snowboarding princess. She's the one who dares to wear hazard-warning colors like orange and yellow, and teams shocking pink Argyle-patterned socks with her strappy high-heel sandals.

The Byblos mix of easy pieces like slouchy pants, hooded tops combining knit and leather, and lean, skinny strapless dresses looked modern — and utterly American. Bartlett has signature utility touches that were reduced this season to a single flap on a classic trench coat, or a zipper at the ankle of nylon pants. How these clothes distinguish themselves as Byblos is the essential problem.

Croatia Harshly Criticized in European Rights Report

By Raymond Bonner
New York Times Service

ZAGREB, Croatia — Serbia and the Yugoslav president, Slobodan Milosevic, are generally considered the pariahs in the Balkans, but according to an international report, the verdict on Croatia and its president, Franjo Tudjman, is equally harsh.

"There has been no progress in improving respect for human rights, the rights of minorities and the rule of law" in Croatia, the Organization for Security and Cooperation in Europe said in the recent report, which has not been made public.

Beyond that summary, the report, which is astonishing for its lack of diplomatic circumlocution, is filled with damning details — about repression of the media by the Croatian government, about its lack of cooperation with the international war-crimes tribunal in The Hague, and above all about its harsh treatment of ethnic Serbs.

Only a small percentage of the approximately 300,000 ethnic Serbs forced to flee their homes here during the war have been allowed to return. Most fled when the Croatian Army carried out its own "ethnic cleansing" during military operations against Serbian-controlled areas in August 1995.

"It is harsh, but it is not an exaggeration," Andreas Stadler, the deputy Austrian ambassador here, said about the report, which

was delivered in late January to the 54 member countries of the organization. The organization, which includes the United States, is charged with overseeing the development of democracy in former Communist countries.

Mr. Tudjman has been elected twice, most recently in 1997, but the State Department, in a human-rights report made public last week, described Croatia as "nominally democratic" but "in reality authoritarian."

Still, Mr. Stadler and other Western diplomats said, the European Union and the United States, which is the most powerful outside influence here, must temper their criticism of Mr. Tudjman, in part for strategic reasons: His cooperation is vital to the NATO-led peacekeeping operations in neighboring Bosnia. Currently, for example, Apache helicopters for use in Bosnia are being unloaded from an American ship and assembled on the Croatian island of Krk.

There are also concerns that criticizing the country too harshly will give ammunition to the hard-liners in the ruling party, the Croatian Democratic Union, who are in a fight with moderates over who will succeed Mr. Tudjman, 76, as party leader. He has incurable stomach cancer, and his condition has worsened in the past two weeks, diplomats here said Tuesday.

The delicate diplomatic quandary was reflected in the visit here by Secretary of State Madeleine Albright last August. In her meet-

ings with Mr. Tudjman, Mrs. Albright delivered a tough message about the need for Croatia to become more democratic, to comply with the Dayton accords that ended the fighting in Bosnia and to allow for the return of the Serbian refugees — all matters on which President Bill Clinton's administration and Mr. Tudjman have fundamentally different views.

But after returning to Washington, Mrs. Albright sent Mr. Tudjman a letter that so pleased the Croatian leader that it was promptly leaked. A newspaper in the coastal city of Split described it as having the "taste of apology."

Mrs. Albright wrote that while she was aware that her visit had been difficult, "I want to see you as a part of Europe where you belong."

Becoming part of Europe is a primary goal for Mr. Tudjman, who bristles when his country is referred to as Balkan, but it is a goal that will not become a reality unless Croatia becomes far more democratic. European diplomats have told him repeatedly.

The report by the European security organization did not address the economic situation of the country, but that too is, in a word, miserable. While a few at the top — political allies of Mr. Tudjman and members of the governing party — have acquired fabulous wealth that they flaunt with flashy cars and expensive clothes, the middle class

is quickly being squeezed into poverty.

It takes \$1,000 a month just to buy the minimum amount of food for a family of four, said a woman in her mid-30s, but the average monthly wage is about \$400. Milk costs the equivalent of about 60 cents a liter in Slovenia, while here it is more than \$2, a Croatian woman said this week.

The cause of the economic troubles is quite simple: bad government or, as one diplomat put it, "corruption, nepotism and mismanagement."

On the political score, the European group said that under pressure from the United States and the European Union, the Croatian government had made commitments to freedom of the press.

But Croatian Television, the main source of news for as many as 90 percent of Croats, "remains subject to political control by the ruling party," the report said.

On the international war-crimes tribunal, the report said the Croatian government had embarked on a campaign to "encourage distrust and hostility" toward it among the Croatian populace.

Mr. Tudjman, who diplomats say is convinced he will be indicted by the tribunal, has declared that the tribunal has no jurisdiction over anything that happened during the operations carried out by the army when it regained control, in 1995, of territories in the hands of Serbian separatists.

BRUTAL DICTATOR OR CHILE'S SAVIOUR. YOU DECIDE.



On Cable and Satellite
This Friday

21.30
Q&A with Riz Khan
Viewers from around the world are able to question newsmakers by phone, fax or e-mail in the world's first interactive news show.

22.00
Perspectives

This Friday's in-depth documentary explores the life of General Augusto Pinochet, including analysis of his past and the accusations he is now facing.

23.00
**News Update/
World Business Today**
24 hours of world business news distilled into 30 minutes.

CNN
THE WORLD'S NEWS LEADER

CNN PERSPECTIVES: "THE REAL GENERAL PINOCHET"
FRIDAY 5TH MARCH 22.00 CET, SATURDAY 6TH MARCH 15.00 CET AND
SUNDAY 7TH MARCH 20.00 CET
A one hour insight into the life and legacy of General Augusto Pinochet. A man who to some was a brutal dictator guilty of committing human rights crimes, but to others was Chile's saviour, rescuing them from poverty and communism.

CNN.com

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Iraq Policy Questions

End the Mystery

Without ever saying as much, the White House seems to have shifted its military strategy in Iraq to advance the goal of toppling Saddam Hussein. The change has become clear in recent days as Washington escalated air strikes. The bombing raids appear designed to punish the Iraqi military in hopes that disgruntled officers will lead a rebellion against Saddam rather than suffer further losses of men and equipment.

If this is the new American strategy, President Bill Clinton or Defense Secretary William Cohen should let the American people and Congress know. The air raids are no secret in Iraq, and the potential threat to Saddam is no doubt well understood in Baghdad. Many Americans might support an effort to unseat Saddam. But the application of American force overseas should never be a matter of mystery and speculation at home or exempt from congressional consultation. One of these days an American or British pilot may be captured or killed, and the reasons for placing him in danger ought to be explained before that day arrives.

It no longer seems plausible to sug-

gest, as the Pentagon does, that the daily air attacks are merely a response to Iraqi efforts to shoot down American and British planes. Iraq has challenged the flights, but the expanding American rules of engagement give pilots greater latitude to strike an assortment of air defense, communications and other military targets.

The White House also needs to answer reports that American spies manipulated the United Nations weapons inspection program in Iraq. The latest account was provided on Tuesday by The Washington Post, which reported that Americans had secretly wired a UN microwave transmission system to allow Washington to monitor a wide range of secret Iraqi military communications without the knowledge of UN officials. Washington's desire to collect information on Iraq's military is understandable, but data should not be gathered in a way that compromises the United Nations' independence. That will only make it harder to carry out disarmament under international authority in the future, and will hinder American efforts to counter the spread of prohibited weapons worldwide.

—THE NEW YORK TIMES

Under UN Cover

It turns out that American intelligence was apparently not content just to help international inspectors look openly and legally for Iraq's special weapons. The United States also used UN cover to conduct a second, secret, American-only operation spying on Iraqi military communications. All this took place while the United States was denying Iraqi charges that it was exploiting the agreed-upon UN inspections for purposes of American espionage. The toll of the two operations, which ended when Iraq cut off inspections after the American and British bombing of last December, only now is being assessed.

You could argue that prying out the secrets of Iraq's suspected nuclear, chemical and biological weapons is so urgent a goal as to justify almost any excess in its pursuit. That goal would justify the heavy political costs that might follow an inadvertent disclosure. Not to speak of damage done to the battered but still-standing UN obligation, which the American agents signed, not to take instructions from or to report to their own government.

But the piggybacking operation was actually trained in the first instance not at Iraq's weapons of mass destruction. It was intended to penetrate certain Iraqi communications that involved a different calculus of costs and risks and, finally, offered benefits that almost certainly would have been lesser even if they had been fully achieved.

There is more to this shabby exploitation of the United Nations. The outcome adds to the difficulties facing the United States and others in designing another arms-monitoring scheme to replace the one lost in December; no workable substitute for UN inspections, imperfect as they are, has yet been found. The latest disclosures also are bound to sharpen the question of whether other UN agencies have been penetrated quietly by various national intelligence services. The State Department spokesman's assurance that "over the years we have seen a precedent" has a wispy quality to it.

What happened is not a moral crime, but it is a blunder, bestowing further embarrassment on a line of American policy already afflicted with a bad case of the staggers.

—THE WASHINGTON POST

Good Olympic Advice

The ethics commission empaneled by the U.S. Olympic Committee has provided an excellent template for reforming the International Olympic Committee and eliminating its graft-friendly culture. The recommendations, which the commission chairman, former Senator George Mitchell, released on Monday, champion structural changes that can help inoculate the IOC, national Olympic committees and competing cities against the kind of vote-buying that helped Salt Lake City boosters win the 2002 Winter Games.

The Mitchell panel's proposals include a ban on all gifts but those of nominal value to members from candidate cities; selection of a majority of IOC members by national Olympic committees and other qualified groups; term limits and strict conflict-of-interest policies; and annual independent audits of IOC books that would be made public.

As a private entity under Swiss law, the IOC is currently accountable to no one. But in a potentially strong de-

terrent to corruption, the commission urged the IOC to become a "public international organization" as defined by a new global convention on combating bribery in business transactions. This agreement calls for the United States and other signatories to expand anti-bribery laws to cover officers and agents of public international groups. All President Bill Clinton need do is designate the IOC as a public international organization and persuade other nations to do the same.

Although the commission lacked subpoena power, it estimated that Salt Lake City boosters had spent from \$4 million to \$7 million since 1989 on IOC members and relatives. The panel also raised a thorny question. Beyond two executives and several trustees who have resigned, were any other trustees of the Salt Lake committees aware of the improprieties? Only the investigations being conducted by the Department of Justice and Utah's attorney general can provide the answer.

—THE NEW YORK TIMES

Other Comment

Serious Trouble in Israel

American Jews and Israel are moving away from one another, and the consequences over time could be disastrous for both.

The link between Israel and American Jewry is vital to both sides and cannot be taken for granted. If it begins to fray, it could have catastrophic consequences. With Jewish religious issues once again before the Knesset and likely to be the currency of aggressive deal-making for politicians seeking election in May, the risks are real.

Israel's religious parties will not have a sudden epiphany and disband in favor of study and teaching. Consequently, the Israeli majority needs finally to find

the courage to say "enough already" to religious coercion. This still relatively silent majority must overcome its own petty divisions and, while there is still time, define an alternative vision for Israel that maintains democratic values and ensures an enlightened Jewish character of the state.

The religious minority's imposition of its will is unquestionably doing real damage. For American Jews, it may mean reductions in charitable giving or less willingness to engage politically on Israel's behalf. For Israelis, it is reflected in a growing cultural divide.

—David A. Harris, national executive director of the American Jewish Committee, commenting in the Los Angeles Times.

Inviting Inflation: A Throw of the Dice in Japan

By Jim Hoagland

WASHINGTON—A year ago, the idea that a major industrial power would deliberately inject inflation into its economy would have been greeted with horror. It would have been the financial world's equivalent of a president, or a princess, deciding to take a little heroin and letting it be known.

But when Japan's leaders began flooding the country with money a few weeks ago, they did so with the silent acquiescence of the United States and other trading partners, even though these may eventually pay an economic and a political price for this shift of strategy in Tokyo.

The silence that has greeted Japan's wink-and-nudge confirmation of a policy decision to increase money supply and to maneuver its already feeble interest rates even lower reflects Japan's desperation and the international hope that this last throw of the dice will halt Japan's long downward spiral. Prime Minister Keizo Obuchi's Finance Ministry chose inflation only after trying everything else and failing.

Japan's stealthy decision to "monetize" its gigantic bank debt problem also illustrates how unpredictable the world economy has become in the past

year, as orthodoxy after orthodoxy has wilted under the high-speed pressures of globalization.

Even the most senior wizards are at a loss today to explain the implications of the U.S. economy growing at 6 percent this last quarter while Asian and European financial bases stagnate or contract. In ways not seen since the Great Depression, the world's financial elite is losing confidence in its prescriptive and analytical hold on global affairs. The public's confidence is not likely to be far behind.

There are two great mystifying disparities in today's global economy. Nothing seems to stop the American consumer from spending in good times; last autumn's Wall Street slide was overcome by a new burst of shopping and debt accumulation. And nothing seems to start the Japanese consumer spending in bad times.

Massive public works projects, gift vouchers provided by the government, and other stimulus measures have failed to revive Japan's shrinking economy during the past five years.

Culture still counts. Japanese households increase their already phenomenal national savings rate in times of uncertainty. The Finance Ministry seems to have concluded that only a threat that inflation will drive prices higher tomorrow can get Japanese consumers into the shops and buying today. A modest amount of inflation will lubricate the wheels of growth, it is hoped.

Three huge questions remain, even if printing more yen and pumping money into the banks succeed in spurring Japanese spending. Can Japan's financial wizards control inflation at the probable target of 2 to 3 percent? Can inflation be contained in one major economy in the global era? And what will be the impact on trade balances, and on coming elections, of Japan's new looser money policy?

Currency still counts. An inevitable consequence of increasing the yen supply is already showing up. A dollar today buys more yen (about 120 as I write this, against 113 a few weeks ago) and is almost certain to buy even more as monetary policy is eased in Japan.

This makes Japanese goods cheaper in the United States, which helps hold U.S. inflation in check, as President

Bill Clinton and his financial wizards have begun to emphasize defensively to the public. But it also means that last year's near record \$65 billion U.S. trade deficit with Japan is almost certain to rise to a new record this year.

That will occur in a year when the \$15 billion U.S. trade deficit with China that Mr. Clinton inherited in 1993 may reach \$70 billion, Commerce Secretary William Daley warned recently.

Meanwhile, the euro has steadily weakened against the dollar since its introduction on Jan. 1 because Germany's coalition government has not halted the deterioration in Europe's economic powerhouse.

The strength of the U.S. economy gives Washington room to take the high road for now: to observe Japan's desperate pursuit of a little inflation with a benevolent silence and a quiet prayer for the strategy to work, as the first vital step to get consumers abroad buying again to ward off global depression.

But time grows short. Politically, the bill for this restraint may come due for Al Gore in 2000 if these trends resurrect protectionism and trade as vibrant campaign issues.

The Washington Post

Turkey and Iran Matter, So the West Ought to Help Out

By William Pfaff

PARIS—The future of the Near and Middle East will be influenced more by Iran and Turkey than by anything done by the "rogue states" and private-enterprise terrorists who preoccupy Washington.

Saddam Hussein is isolated. Osama bin Laden, in his Afghan cave, is a political irrelevance, despite the publicity that Washington lavishes on him. Israel's dealings with the Palestinian Authority, Lebanon and Syria are serious matters, but nothing is going to happen until the Israeli elections are over.

The undeclared war that Washington now wages against Iraq serves no constructive political purpose. It kills a few Iraqis from the air every day or two, while putting American and British pilots in perilous jeopardy. These attacks continue because Washington can't imagine how to explain stopping them. On other fronts, it finances exiled opposition movements and factions of the divided Kurds, all of them defeated by Saddam Hussein in the past.

Events in Iran and Turkey, are significant because these are the two most important states in their region. Both have recently experienced major and constructive internal changes.

Turkey's capture of the Kurdish leader Abdullah Ocalan unexpectedly opened prospects for an end to the civil struggle that has poisoned Turkish democracy, political stability and international standing. A serious effort at national reconciliation is now under way.

Prime Minister Bulent Ecevit has announced major development plans for the southeastern provinces, where war against the guerrillas of Mr. Ocalan's Turkish Workers Party has gone on for 15 years, at heavy cost to the civilian population.

The plan, as announced, includes the return and resettlement of hundreds of thousands of people forced out of their villages, as well as educational and health programs.

All this, of course, is proposal, not achievement, and has an unresolved international dimension, since the Kurds are surrogates in a larger struggle of Iranian, Iraqi, Syrian and Turkish national interests. However, it is a significant development.

Iran has held its first municipal elections since the Islamic revolution of 1979. They have produced an unexpected

broad victory for reformist forces associated with President Mohammad Khatami. There was a very large turnout (25 million), almost as large as in the last presidential election. These results are taken as an indication of what may come in national elections in 2000.

This popular mandate confirms the recent victory of reformers inside the government, who forced the resignation of the minister in charge of the security service and caused the arrest of 10 officers suspected of murdering several prominent intellectuals last November and December in an effort to intimidate the reform movement.

Again, these are inconclusive but important developments. In the medium term, it is reasonable to think that Iran will break out of its cultural isolation from the modern world, which in contemporary circumstances is scarcely sustainable.

Iran underwent forced modernization under the shah in the 1960s and '70s. Under the religious rule of Ayatollah Ruhollah Khomeini and successors, young people have continued to be sent abroad to study, a great many at American universities.

The shah's programs and his government's intimate alliance with the United States provoked cultural and religious reaction and a nationalist upheaval. But that was two decades ago. Since then, Iran has successfully defied the United States, using the means available to weak countries confronting strong ones. It has been through a war with Iraq that was proportionately more destructive than World War I. Iran now has experienced a decade of peace, and its elites are looking outward again.

Inside Iraq, Shiite Muslims (co-religionists of the Iranians) are once again in conflict with Saddam Hussein's government. While loyal to Iraq during the war with Iran, they have since been the main internal opponents to Saddam's Sunni and sectarian dictatorship.

The Baghdad government is generally thought responsible for the murder in late February of the spiritual leader of Iraq's Shiites, who had become dangerously outspoken in his criticisms of the regime. The result was anti-government rioting on a scale not experienced since the immediate aftermath of the Gulf War, when President George Bush called on the Iraqi opposition to rise against

Saddam (and, when they did, walked away from them).

Turkey and Iran are already the major powers of the Eastern Mediterranean. Turkey is a democracy, an imperfect one. Iran is enlarging limited political freedoms and establishing the institutions of civil society under the overall control of a clerical establishment that itself is divided into liberal and conservative camps.

Both countries have resources—water and minerals in Turkey, with relatively developed industry, and oil in Iran. Both access the oil-rich Caucasus, and are politically active in ex-Soviet Central Asia.

The European Union has handled its relations with Turkey so maladroitly as to have seriously alienated the Turks, who have been anxious, since creation of the modern Turkish state, to reclaim a European identity. The United States is locked in a fruitless and unsuccessful boycott of Iran, meant mainly to punish the Iranians for having expelled and humiliated Americans 20 years ago. None of this makes much sense, when you think about the year 2000 and beyond.

International Herald Tribune, Los Angeles Times Syndicate

Toward Democratic Indonesia and a Viable East Timor

By Donald K. Emmerson

JAKARTA—On her visit to Indonesia this Thursday and Friday, Secretary of State Madeleine Albright has the opportunity to move forward on democratization of Indonesia and East Timor's future. But there are dangers involved.

If Americans want to help democratize Indonesia, they will have to avoid crossing the line between assistance and interference.

A variety of official, semi-official and private American organizations are in Indonesia already, helping educate and train administrators, parties and

voters in advance of the national parliamentary election scheduled for June 7. More Americans, probably including former U.S. President Jimmy Carter, will be coming to monitor the balloting. It will not take much for rumors to spread that the United States is backing or undermining this or that party or candidate.

Among the many parties contesting the elections, none is likely to win an absolute majority. In prospect instead are months of maneuvering by

politicians to form and break party coalitions in the run-up to the scheduled naming of the next president and vice president by a majority of the People's Consultative Assembly in November. The temptation to accuse foreigners of trying to influence the outcome will be hard for some Indonesians to resist.

Continuing violence, especially between Muslim and Christian Indonesians, further heightens the risk. Rife as they are with potential for conspiracy

theorizing, Indonesian political conditions call for the utmost restraint from outsiders. While assisting the process of democratization, Washington should scrupulously avoid intervening, or seeming to intervene, on behalf of any contender.

A more difficult dilemma involving trade-offs between assistance and intervention has been created by recent developments on the future of East Timor, invaded and annexed by Jakarta in the mid-1970s.

President B. J. Habibie wants to settle East Timor's status as quickly as possible. He has made a take-it-or-leave-it offer: East Timor can have wide-ranging autonomy within Indonesia, or he will ask the consultative assembly to revoke the territory's provincial status. That would probably lead to what many East Timorese have long sought, independence.

help this complex and vulnerable process succeed.

It would be unwise for Washington to play a role in East Timor without adequate preparation and a reasonable chance of success.

Diplomats in several capitals have been talking about a "contact group" on East Timor and a possible foreign military "presence" there involving the United Nations. Such plans make sense if they can facilitate a successful transition to what most observers assume will be independence.

For Mrs. Albright in Jakarta, the priority should be on assuring a credible Indonesian commitment to help the East Timorese choose their future, whatever that future may be.

For his part, Mr. Habibie should have no illusions that Washington is eager to shoulder the burden of sponsoring the independence of East Timor, let alone of keeping the peace country alive against Indonesian hostility or indifference.

The writer, a professor at the University of Wisconsin in Madison and editor of "Indonesia Beyond Suharto," to be published soon, contributed this comment to the International Herald Tribune.

Give East Timor's People Their Chance

By José Ramos-Horta

SYDNEY—There is a historic opportunity to end the East Timor conflict, which has cost the lives of 200,000 East Timorese since Indonesia invaded and occupied the former Portuguese colony in 1975.

The government of President B. J. Habibie has said it is ready to end its rule if an autonomy offer is rejected. But factions of the Indonesian army, including elements loyal to former President Suharto, are determined to stay on, or wreck East Timor in revenge before they leave.

Instead of reducing the number of troops in the territory as urged by the UN Secretary-General, the United States, the European Union and Australia, Indonesia has increased its soldiers to well over 20,000.

A pattern of army-instigated religious and ethnic violence is emerging not only in East Timor but in many parts of Indonesia. Gangs of unemployed youths, criminals and drug addicts as well as Indonesian Muslim extremists, are armed by the authorities. Often directed by soldiers, they have launched murderous attacks against civilians.

The East Timorese resistance has exercised utmost restraint since Mr. Suharto was forced to resign in May by the rising tide of popular protest against his corrupt and repressive rule. But our patience is running out. We keep our options open as to our next course of action if the situation continues to deteriorate. Indonesia should leave by January. The United Nations should take over administration of the territory for up to five years, and prepare it for state-

hood. We will hold a referendum on self-determination at the end of the agreed transition period. Indonesian troops should leave as quickly as possible. Security of the territory should be placed in UN hands.

We have proposed an end to all armed activities in East Timor and called for a permanent UN presence to monitor the situation. A UN peacekeeping mission is a matter of utmost urgency.

The East Timorese resistance fighters should form the core of a new police force trained by countries like Australia and New Zealand. East Timorese serving in the Indonesian army and police could also be part of this new police force.

The small group of "pro-Indonesian" elements should not fear an independent East Timor. They will come to realize that in an independent nation they will be real citizens, not lackeys of another country.

There have been many patronizing comments about East Timor's supposed inability to govern itself. We have valuable natural resources, including arable coffee, sandalwood, marble, fisheries, offshore oil and natural gas. But many of these resources became monopolies owned by the Suharto family and the generals who invaded East Timor. As a result, tens of millions of dollars have been looted from our people.

We are conscious of the difficulties and challenges facing an independent East Timor. They will not only be of eco-

nomic and security nature. When Jakarta finally quits, it will leave behind a society profoundly traumatized by 23 years of savage colonization. It will also leave a culture of violence and corruption that was alien to East Timorese traditional society before 1975.

Portugal has said it is prepared to cover the entire budget of East Timor during the first years of independence. The Portuguese governor in Macau is ready to lead a business delegation from the enclave, China and Hong Kong to look into investment. Businesses from Singapore and Taiwan have expressed interest in economic opportunities.

East Timor will benefit from the Lomé Convention, which will give it tariff-free access to the huge European Union market. It could develop into a free trade area, with tourism as a major source of revenue.

The United States, Canada, Australia, New Zealand and the Nordic countries will be among the main donors and investors. Iceland has offered to assist East Timor in organizing its fishing industry. Two major Portuguese firms with interests in telecommunications and petroleum have indicated strong interest in investing more than \$100 million.

Indonesia will benefit as a supplier of goods to an independent East Timor—if it has the sense to look to the future.

The writer, vice president of the National Council of Timorese Resistance and a Nobel Peace laureate, contributed this comment to the International Herald Tribune.

ANGORA—The members of the National Assembly belonging to the Kemalist majority have taken a vote, abolishing the Caliphate. The Caliph and his relatives will leave Constantinople for Egypt. The Bill bears the signatures of fifty Deputies. It provides that the

Caliph be deported and the Caliphate abolished; that all members of the imperial family be deprived in perpetuity of the right to reside in Turkey; that they lose the status of Turkish citizens; that a combined indemnity will be allotted to them.

1949: Wet Kansas
TOPEKA—Kansas will probably be able to drink liquor legally in their homes and private clubs this week and for the first time in sixty-eight years. A bill legalizing the sale, possession and consumption of liquor need only be signed by Governor Frank Carlson. It was passed by both the Senate and the House. Actually Kansas has not been as dry as it might have been during prohibition. Bootlegging was so common that it led to the familiar comment, "Kansas vote dry but drink wet." Only Oklahoma and Mississippi retain state-wide prohibition.

Herald Tribune

ESTABLISHED 1887

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairmen of the Board

PETER C. GOLDMARK JR., Chairman and Chief Executive Officer
RICHARD WOOLDRIDGE, President and Chief Operating Officer
MICHAEL GETTLER, Executive Editor

• WALTER WELLS, Managing Editor • PAUL HORVITZ, Deputy Managing Editor
• KATHERINE KNORR and CHARLES MITCHELLMORE, Deputy Editors
• ROBERT J. DONAHUE, Editor of the Editorial Pages
• JONATHAN GAGE, Business and Finance Editor
• SAMUEL ABT and NICK STOUT, Associate Editors

• RENÉ BONDY, Senior Vice President and Chief Financial Officer
• DIDIER BRUN, Circulation and Development Director
• STEPHEN DUNBAR-JOHNSON, Advertising Director • IAN WALTHER, Marketing Director
Director of the Publication: Peter C. Goldmark Jr.

International Herald Tribune, 191 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France
Tel: (1) 41-43.93.00. Fax: 41-43.92.10. Advertising: (1) 41-43.92.12. News: (1) 41-43.93.38.
Internet address: <http://www.ihb.com> E-Mail: ihb@ihb.com

Editor for Asia: Michael Richardson, 5 Convent Road, Singapore 119007. Tel: (65) 472-7768. Fax: (65) 274-2334
Mng. Dir. Asia, Nigel I. Oatley, #1201, 191 Jena Road, Hong Kong. Tel: 852-2922-1188. Fax: 852-2922-1190
Gen. Mgr. Germany: T. Schöner, Friedrichstr. 15, 69233 Frankfurt, Tel: +49 69 971230-0. Fax: +49 69 971230-30
U.S. Office: 850 Third Ave., New York, N.Y. 10022. Tel: (212) 753-3000. Fax: (212) 753-4583
U.K. Advertising Office: 40 March Way, London E14 7PZ. Tel: (171) 510-5700. Fax: (171) 587-3451
S.A.S. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
©1999, International Herald Tribune. All rights reserved. ISSN: 0294-8052

50 ساله الی

email: The_INTERMARKET@iht.com

email: The_INTERMARKET@iht.com

INTERNATIONAL

Netanyahu Rejects Call For Lebanon Withdrawal

Jerusalem — Prime Minister Benjamin Netanyahu rejected Wednesday a call by Foreign Minister Ariel Sharon to postpone Israel's May election and form an emergency government that would pull Israeli troops out of Lebanon.

Mr. Sharon floated the unilateral withdrawal plan a day after Ehud Barak, leader of the main opposition Labor party, raised the stakes in the race for prime minister by pledging to bring the troops home within a year of taking office.

Asked about his foreign minister's surprise plan, Mr. Netanyahu, who heads the governing rightist Likud party, told Army Radio: "The election should not be postponed."

"We want to leave Lebanon but we have to ensure that Lebanon doesn't come to us," Mr. Netanyahu said, spurning a unilateral pullout on grounds that Hezbollah guerrilla attacks would shift from Israel's south Lebanon occupation zone to northern Israel.

Labor, pledging that Mr. Barak, a former army chief, would set up a broad coalition if elected prime minister, also rejected Mr. Sharon's proposal, which was published in major Israeli newspapers and carried by radio stations.

Mr. Sharon launched the trial balloon as a national debate raged in Israel over keeping the army locked in a war of attrition with the pro-Iranian Hezbollah guerrilla group in the south Lebanon zone.

The Lebanon issue has taken center stage in campaigning for the May 17 general election, after the killings of seven Israelis, including a brigadier-general, by Hezbollah guerrillas in south Lebanon in a week.

"A national emergency government, led by Likud and Labor, must be established immediately so it can decide on a unilateral withdrawal from Lebanon and implementation of the deal with the Palestinians," Mr. Sharon told newspapers, referring to the Wye River land-for-security agreement.

"This is the only way to get out of the Lebanese maze. Only a unity government can make these kind of decisions," he said, noting it could take several months to implement such moves.

"Elections have been postponed in the past when urgent matters of state had to be addressed," Mr. Sharon said, referring to a national vote in Israel that was delayed in the aftermath of the 1973 Middle East war.

Mr. Sharon, a hawk who engineered Israel's 1982 invasion of Lebanon, has in the past advocated a phased unilateral pullback from Lebanon but has largely stayed on the sidelines of the political debate in the election campaign.

Sharon Faces Bribe Allegations
The police questioned Mr. Sharon on Wednesday about allegations that he tried to bribe a witness in a court case concerning his actions as defense minister when Israel invaded Lebanon in 1982, Agence France-Presse reported from Peleth Tikva, Israel.

Police officials said Mr. Sharon was interrogated "under caution" by investigators of the criminal brigade, meaning that his testimony could be used in legal action against him.

The investigation centers on allegations that Mr. Sharon granted favors to a general-turned-businessman, Avigdor Ben-Gal, to change his testimony in a libel case filed by the minister against the Israeli newspaper Haaretz.

Mr. Ben-Gal was interrogated by police for 11 hours Feb. 18.

Mr. Sharon was out of the country at that time and was questioned Wednesday at a police station in Peleth Tikva, near Tel Aviv.

The case began with a Haaretz article that claimed that Mr. Sharon had led Israel into a full-scale war in Lebanon while telling Menachem Begin, the prime minister then, that it would be only a limited incursion to halt attacks by Palestinian guerrillas. Mr. Sharon sued Haaretz for libel over the article.

Mr. Ben-Gal, who headed the northern command of the Israeli Army during the invasion, was called to testify for Haaretz in the 1997 trial after he said publicly that Mr. Sharon had secretly plotted a much deeper thrust into Lebanon than approved by Mr. Begin.

But Mr. Ben-Gal retracted that statement during the trial.

The current investigation centers on charges that two weeks before the trial Mr. Ben-Gal accompanied Mr. Sharon, who was then national infrastructure minister, on a trip to Russia. His inclusion on the trip offered Mr. Ben-Gal lucrative business opportunities.



Linda Tripp, who secretly taped Monica Lewinsky's conversations, arriving Wednesday at the Defense Manpower Data Center in Virginia. She has been paid to work at home in Maryland for more than a year.

SCANDAL: Lewinsky's Friends Are Fearful of Reprisals by Starr

Continued from Page 1

refused to cooperate with their criminal inquiry of the president, she contemplated throwing herself out a window on the hotel's 10th floor, where she stood at the time with several prosecutors, the people familiar with the book said.

Ms. Lewinsky says she "couldn't bear to go to jail."

"I would come out an old lady and one would never want to marry me," she says, and continues: "I thought there was no way out other than killing myself. If I killed myself, then there would be no information and I wouldn't have to deal with the hurt and the trouble I had

caused the president."

Ms. Lewinsky complains in her book that her efforts to call her lawyer and her mother were rebuffed by prosecutors and agents.

She said that on that fateful day in January 1998, prosecutors confronted her with a copy of her false affidavit in which she swore that she had not had an affair with Mr. Clinton. But at that time, Ms. Lewinsky's lawyer, Francis Carter, had not yet filed the affidavit with a federal court in Little Rock, Arkansas.

Mr. Starr has said that his office was sent the affidavit anonymously by James Moody, a lawyer for Linda Tripp, who had obtained it from lawyers for Paula

Jones. It was Mrs. Tripp, a friend of the younger Ms. Lewinsky, who taped her account of her affair with Mr. Clinton and gave it to prosecutors.

[Ms. Lewinsky's] book asserts that the episode regarding the false affidavit "exposed the dubious methods employed by Starr's investigators," The Associated Press reported.

"Starr's tactics have been a matter for grave public concern," the book says. "The whole exchange about immunity was a waste of time except insofar as it exposed the dubious methods employed by Starr's investigators." The Associated Press obtained excerpts from the book from a source outside the publishing world.

In his testimony before the House Judiciary Committee in November, Mr. Starr said Ms. Lewinsky was incorrect that prosecutors had barred her from calling anyone she wanted.

"We made it clear to the witness that she was, in fact, free to leave," Mr. Starr said then.

Mandela Calls June 2 Election

President Makes the Most of End to Political Suspense

CAPE TOWN — Wringing every drop of suspense out of a historic announcement, President Nelson Mandela told Parliament on Wednesday that South Africa would hold its second all-race elections on June 2.

Mr. Mandela had initially wanted elections to take place May 18-27 but said that after consulting with election officials he had decided to hold it a week later to give them more time to prepare.

Making lawmakers squirm in anticipation and others break out in laughter, a grinning Mr. Mandela paused several times to sip from a glass of water before naming the date.

Mr. Mandela, who has led the nation since an all-race ballot in 1994 ended white rule, plans to retire after the election. He is almost certain to be succeeded by Deputy President Thabo Mbeki. Mr. Mandela is constitutionally barred from officially proclaiming the election date until after April 30, but he said he was unofficially revealing it early to allow people still registering to vote to know where they will be on ballot day.

The naming of a date was delayed after opposition parties took the government to court over new rules that allow only people with bar-coded identity documents to register to vote.

The new ID books were first introduced in 1986, but only about 65 percent of minority whites — many of whom support opposition parties — have the proper documents, compared with 80 percent of the majority blacks.

Though the small, mostly white Democratic Party launched a new legal action against the rules Wednesday, a court last week threw out a similar bid by the former ruling New National Party, giving the government confidence to name an exact date. The New National Party was appealing.

The Independent Electoral Commission will hold a final bout of voter registration this weekend. Two previous attempts have resulted in about 57 percent of the 25 million voters becoming registered since November.

Mr. Mandela appealed for all South Africans to register, saying they should never take freedom for granted.

Recent opinion polls have shown the governing African National Congress easily ahead of any other political party.

Politicians from all sides have been campaigning informally since early last year. Opposition parties try to paint the ANC as corrupt and inefficient, while ANC leaders land their successes in delivering basic services to millions of poor blacks.

Amsterdam Reopens Hearings On 1992 Crash of El Al Cargo Jet

THE HAGUE — Public hearings into the 1992 crash of an El Al cargo plane in a densely populated Amsterdam suburb resumed Wednesday, with a series of sensitive questions about the fatal flight still unanswered.

According to the official toll, 43 people were killed when a Boeing 747 belonging to the Israeli airline struck a high-rise apartment block in Bijlmer on Oct. 4, 1992.

Hundreds of residents of the suburb and rescue workers have complained of persistent health problems that they believe are linked to the cargo and depleted uranium used as ballast on the plane.

Israeli authorities have confirmed that the cargo included the chemical DMMP, which can be used in making sarin nerve gas. But they say the substance is nontoxic and was intended for testing filters that protect against chemical weapons.

The final round of hearings, beginning Wednesday and ending March 12, will address the question of how much senior cabinet ministers, past and present, knew of the disaster and kept to themselves.

Prime Minister Wim Kok and his deputy, Annette Marijnsma, and former Transportation Minister Hanja Maij-Weggen are among those the committee is expected to call to testify under oath.

An aviation official gave evidence last month that the authorities heard within half an hour after the disaster that the plane had been carrying a hazardous cargo but agreed to withhold the information to avoid a public outcry.

Mr. Kok moved swiftly to suspend the officials concerned, but public confidence in the government was shaken.

Mrs. Maij-Weggen, minister of transportation at the time of the crash and now a Christian Democratic candidate for election to the European Parliament, has said that her civil servants failed to pass on the information that the cargo might be hazardous.

Her successor at the Ministry of Transportation, Mrs. Jorritsma, also has been criticized for doing too little to get to the truth of the Bijlmer affair. She has vowed to resign if the inquiry finds evidence of mismanagement during her tenure as transportation minister.

Governor Rejects International Pleas For Doomed Killer

FLORENCE, Arizona — Governor Jane Hull ignored international pleas Wednesday to halt the scheduled execution of the convicted killer Walter LaGrand, a German citizen whose brother was put to death last week for the same crime.

Germany sued Tuesday night in the International Court of Justice to try to halt the execution. The court, which has no enforcement powers and relies on voluntary compliance with its rulings, urged the United States to stay the execution while it considered the appeal.

Not the governor refused. "In the interest of justice and with the victims in mind, I have decided to allow this execution to go forward as scheduled," she said. As a result, Mr. LaGrand was to go to the gas chamber at 3 P.M.

Later Wednesday, the International Court of Justice appealed to the U.S. government to do all it could to press the Arizona state authorities to call off the execution. Judge Christopher Weeramanayake of Sri Lanka, the court's vice president, said that Washington should use "all the measures at its disposal" to prevent the execution.

Foreign Minister Joschka Fischer of Germany attempted several times to have the execution stayed, but Mrs. Hull rebuffed his efforts.

Claudia Roth, who heads the Human Rights Committee in the Bundestag, urged Secretary of State Madeleine Albright on Wednesday to save Mr. LaGrand. She attacked the secretary for fighting "for human rights in China while keeping quiet on the subject in her own country."

She asserted that the United States had violated the Vienna Convention, which guarantees foreign criminals help from their home embassies.

The LaGrand brothers were condemned to death in 1984 after a jury convicted them of stabbing to death a 63-year-old bank manager in a bungled robbery. They were born in Germany, moved to the United States when they were 4 and 5 years old, and never became U.S. citizens. By German law, they remained German nationals.

(AP, AFP)

PRIVACY: How Much Do People Need?

Continued from Page 1

able for one purpose there is always pressure from other organizations to use it for their purposes," said Lauren Weinstein, editor of Privacy Forum, an on-line journal.

This week, a programmer in Massachusetts found that identifying numbers can easily be found in word processing and spreadsheet files created with the popular Word and Excel programs and the Windows 95 and 98 operating systems by Microsoft Corp.

Moreover, unlike the Intel serial number, which the computer user can conceal, the numbers used by the Microsoft programs — found in millions of personal computers — cannot be controlled by the user.

The programmer Richard Smith, president of Phar Lap software, a developer of computer programming tools in Cambridge, Massachusetts, noticed a similar feature in the Windows operating system: a unique registration number stored on each personal computer in a small database known as the Windows registry.

His curiosity aroused, Mr. Smith investigated further and discovered that the unique number on his computer that allows connection to a network used in most office computing systems, known as the Ethernet, was routinely copied to each Microsoft Word or Excel document he created.

"The infrastructure relies a lot on serial numbers," Mr. Smith said. "We've let the genie out of the bottle."

Jeff Resler, a Microsoft product manager, said that if a computer did not have an Ethernet adapter, then another identifying number was generated that was likely to be unique. "We need a big number, which is a unique identifier," he said. "If we didn't have it, it would be impossible to make our software programs work together across networks."

An increasing range of technologies have provisions for identifying their users for either technical reasons, like connecting to a network, or commercial ones, like determining which ads to show to Web surfers.

But engineers and network designers argue that identity information is a vital aspect of modern security design because it is necessary to authenticate an individual in a network, thereby preventing fraud or intrusion.

Last month at the introduction of Intel's powerful Pentium III chip, the company's executives showed more than a dozen data security uses for the serial number contained electronically in each of the chips, ranging from limiting access to protecting documents or software against piracy.

Intel, the world's largest chip maker, recently backed down somewhat after it was challenged by privacy advocates over the identity feature, agreeing to ship at least some of the processors for the consumer market in a way that requires the user to activate the feature.

Far from scaling back its vision, however, Intel said it was planning a wider range of features in its chips to help companies protect copyrighted materials. It also pointed to software applications that would use the embedded number to identify participants in electronic chat rooms on the Internet and thereby protect children against Internet stalkers.

But in achieving those goals, it would also create a universal identifier, which could be used to track computer users wherever they surfed on the World Wide Web. And that, despite the chipmaker's assertions that it is working to enhance security and privacy, has led some privacy advocates to taunt the giant chip maker and accuse it of pursuing a "Big Brother Inside" strategy.

Intel's decision to forge ahead with identity features in its chip technology may signal a turning point in the battle over privacy in the electronic age. Until now, privacy concerns have generally put industry executives on the defensive. Now questions are being raised about whether there should be limits to privacy in an Internet era.

"Judge Brandeis's definition of privacy was 'the right to be left alone,' not the right to operate in absolute secrecy," said Paul Saffo, a researcher at the Institute for the Future in Menlo Park, California.

Some Silicon Valley engineers and executives have responded that the Intel critics are being naive and have failed to understand that all devices connected to computer networks require identification features simply to function correctly.

Moreover, engineers say that some networks require identity numbers to protect against fraud. Each cellular telephone currently has two numbers. One is the telephone number, which can easily be changed. But a second number, known as an electronic serial number, is permanently put in place at the factory to protect against theft or fraud.

The serial number is accessible to the cellular telephone network, and as cellular phones add Internet browsing and electronic mail capabilities, it will potentially have the same identity capability as the Intel processor serial number.

Industry executives say that as the line between communications and computing becomes increasingly blurred, every electronic device will require some kind of identification to attach to the network.

Making those numbers available to networks that need to pass information or to find a mobile user and at the same time denying the information to those who wish to gather information into vast databases may be an impossible task.

Privacy advocates argue that even if isolated numbers look harmless, they are harbingers of a trend toward ever-more-invasive surveillance networks.

The groups are worried that in the future the government will require ever more invasive hardware modifications to keep track of individuals. Already, they point to the United States' 1994 Communications Assistance for Law Enforcement Act, which requires that telephone companies modify their net-

work switches to make it easier for government wiretappers.

Intel executives insist that their chip is being misused by privacy groups that have distorted the value of the identifier.

The quandary — that it is almost impossible to compartmentalize information for one purpose so that it cannot be misused — lies at the heart of the argument. Moreover, providing security while at the same time offering anonymity has long been a technical and a political challenge. "We need to find ways to distinguish between security and identity," said James Dempsey, a privacy expert at the Center for Democracy and Technology, a Washington lobbying organization.

BUG: Y2K Chaos for Some

Continued from Page 1

designed to deal with Y2K issues, from providing low-cost government loans to help businesses alter computer software to new laws designed to ward off nuisance litigation.

The Y2K problem stems from the programming practice of using two-digit numbers in most record-keeping — "99" instead of 1999, for example. As a result, without special adjustments, starting next Jan. 1 computers may read "00" as 1900 instead of 2000, potentially causing some systems to crash.

The report cited the medical industry as farthest behind in the United States in preparing, saying that smaller hospitals and physicians' offices have "particularly high Y2K risk exposure." It also said that midsize and small businesses were lagging, citing one survey that showed that 40 percent of about 14 million small businesses did not plan any action to deal with the problem.

Nevertheless, Mr. Bennett brushed aside predictions that the glitches might spark a global economic recession or leave Americans without cash or food.

"This is a moving target," he said, noting that industries were continually improving their readiness.

He said that overall assessments suggested that disruptions in the United States, if there were any, likely would not last more than three days. "In this country, we will have a bump in the road but we will not be crippled, and it will not last a very long time," he said.

The committee's assessment drew a mixed reaction from industry experts. Kazim Isfahani, an analyst with Giga Information Services in Cambridge, Massachusetts, said that the panel had done "a good job of pulling everything together" but had not broken new ground.

He termed senators' warnings that disruptions abroad could lead to civil unrest in some countries — or that they might even prompt terrorist attacks — "fear-mongering." While some countries may be unprepared, he said, "that doesn't necessarily translate into civil unrest."

BRIEFLY

Arafat to Ask U.S. To Aid Statehood

RAMALLAH, West Bank — Yasser Arafat will ask President Bill Clinton when they meet this month to formally recognize for the first time the Palestinians' right to statehood, a senior aide said Wednesday.

Such U.S. recognition could be part of a broader international deal under which the Palestinians would agree to postpone a unilateral declaration of independence beyond May 4, when interim peace accords with Israel expire, said Tayeb Abdel Rahim, one of Mr. Arafat's closest advisers.

Palestinian officials said the White House meeting would focus on Palestinian conditions for delaying the declaration, which Israel has warned would lead to a major crisis and potential violence. (AFP)

Ethiopia Accused Of Using Napalm

ASMARA, Eritrea — The Eritrean news agency accused Ethiopia on Wednesday of dropping napalm on a village on the Western front of the two states' border war, killing one person and injuring another.

Some 150 houses were also burnt when Ethiopian fighter bombers dropped the napalm on Sunday on the village of Schiambiko, a member of the news agency's staff said. The charge could not be confirmed by independent sources. (AFP)

For the Record

Jordan reopened its embassy in Kuwait on Wednesday, formally ending a break between the two Arab countries that began during the 1990-91 Gulf crisis. (AP)

Authorities in Quito, Ecuador, have arrested two police captains for possible negligence in the slaying of a Marxist congressman, a judge said. Jaime Hurtado, a vocal opponent of President Jamil Mahuad's centrist government, and two assistants were shot to death near Congress by three men. (AP)

Security forces in Havana have released some of the scores of activists who were detained during the sedition trial of four well-known dissidents. The four have been accused of promoting aggressive U.S. policies toward their Communist homeland. (AP)

DONOR: Ethical Issues Sharpen as a Couple Offers \$50,000 for the Perfect Egg Donor

Continued from Page 1

from offers of \$7,500 for donors, makes them wonder whether the business is getting out of control.

The wealthy couple offering \$50,000 wants to remain anonymous. Ms. Pinkerton said. But she added, they decided to offer \$50,000 "because they can."

The couple also realized that it might be hard to find a donor who met their criteria. They are "highly educated," Ms. Pinkerton said, and want a child who can be highly educated as well. They are tall, so they want a child who is tall.

"We have heard that only 1 percent of the college population is over 5 feet 10 inches with over 1400 SAT scores," Ms. Pinkerton said.

Lori Andrews, a professor at Chicago-

Keot College of Law, is taken aback by the level that payments are reaching. "I think we are moving to children as consumer products," Ms. Andrews said.

"When prices for donors reach \$50,000, it gets to be a meaningful, life-altering sum," Ms. Andrews added.

Dr. Mark Sauer, who directs the assisted-reproduction program at Columbia University's College of Physicians and Surgeons in New York, said that he found women, even Ivy League women, who were willing to donate for \$5,000. And so, Dr. Sauer asked, why would a couple want to pay \$50,000?

"I can understand the motive for the donor — it's like winning the lottery," Dr. Sauer said.

After all, he said, it takes just three to four weeks to produce eggs. The woman

takes fertility drugs to stimulate her ovaries to produce more than a dozen eggs, has regular ultrasound exams so a doctor can follow the eggs' development and then is anesthetized while a doctor aspirates the eggs from her ovaries during a needle.

But, Dr. Sauer asked, what are the egg recipients thinking when they offer to pay so much for a donor with such specific traits?

"What genetic textbook did they read," he asks, that would tell them that they could order up a tall, smart, athletic child by paying \$50,000 for a donor?

Other experts, however, say they fail to see what is so wrong with looking for specific traits in a donor and paying \$50,000 for them.

Dr. Norman Foster, who directs the

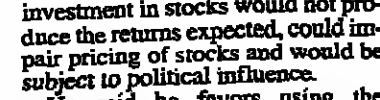
program in medical ethics at the University of Wisconsin at Madison, said it was not so crazy to ask for height and SAT scores.

Dr. Foster worries more, he said, about parents who try to engineer their children after they are born, pushing them to get perfect grades and to take endless SAT tutoring courses, or parents who push their children to be superstars in sports. "I don't think that genetic engineering is any more pernicious," Dr. Foster said.

As for the \$50,000 payment to the donor, why not? "It's like offering someone a million dollars to play professional football," he said. "You are perfectly free to walk away from it. People make these choices all their lives."

50,000 \$

Wall Street Wobbles After Profit Warning From 3Com



Jones Set To Buy Nine West

New York Times Service
NEW YORK — Jones Apparel Group Inc., a leading women's clothing company, said it would acquire Nine West Group, one of the largest U.S. shoe companies, in a deal valued at nearly \$900 million.

Dollar Firms as Japan Maneuvers Rates Close to Zero

The euro was little changed ahead of a meeting of the European Central Bank scheduled for Thursday. Most analysts expect the bank to leave interest rates unchanged. The euro slipped to \$1.0883 from \$1.0935.

The pound fell to \$1.6140 from \$1.6157, while the dollar rose to 1.4600 Swiss francs from 1.4565 francs.

The Brazilian currency weakened as banks and companies bought dollars to repay about \$640 million in Eurobonds and other foreign debt coming due in the next two weeks. The dollar rose to 2.14 reals from 2.10 reals. (Bloomberg AP)

MANAGER: *Monsanto Style*

Continued from Page 13

Both companies are focusing on life sciences. Du Pont, which has a small pharmaceuticals division, wants to expand its drug business, while Monsanto's G.D. Searle & Co. unit is a small but growing force, with strong cancer and arthritis drugs.

While it is unclear whether Monsanto's insistence on doing things differently is encouraging or hindering a big merger, its approach has so far done little for the bottom line.

After years of spectacular earnings gains, the company faltered in 1998. Heavy research spending and a string of high-priced acquisitions in the seed business saddled the company with a huge debt load. Earnings suffered, and heavy reorganization charges and layoffs were announced. The stock tumbled in October after the deal with American Home Products collapsed, and it has been treading water ever since. On Wednesday, its shares were rose \$2.37 on the New York Stock Exchange, to close at \$46.75, and some cited the talks with Du Pont as a reason.

Nearly four years after taking over as chief executive, Mr. Shapiro has refashioned Monsanto as an open and free-thinking company, executives there say.

In addition to abolishing executives' suits, he instituted flexible work schedules and work locations, including his own. Each business unit has co-presidents. He has encouraged free discussion, even something he calls an "underground newsletter" — a computer site where employees can post their thoughts about the company anonymously.

Some experts question whether Monsanto can remain

that cubicle thing may be short-lived," said Thomas Lys, a mergers specialist at Northwestern University's Kellogg Graduate School of Management.

Still, the company's special qualities could survive a merger — and perhaps even survive Mr. Shapiro. "This is not an expression of Shapiro's philosophy," Mr. Shapiro said. "This is a business philosophy of how you make money in life sciences. And in a Darwinian world, this culture will prevail."

INTEREST RATES

Wednesday, March 3

Government Debt

	3-month	6-month	1-year	2-year	5-year	10-year
Bethlehem				5.127	4.852	4.697
France	2.94	2.96	3.03	3.193	3.626	4.241
Germany	2.98	2.92	—	3.221	3.523	4.131
Italy	2.92	2.67	2.66	3.30	3.913	4.382
Japan	0.10	0.10	—	0.245	0.98	1.748
U.S.	3.00	3.00	3.00	3.196	3.771	4.378

	3-month	1-year	2-year	5-year	10-year	20-year
United States	4.57	4.38	5.15	5.29	5.69	5.69
Yield	4.49	4.64	59-21	57-20	54-26	52-19

Source: Bloomberg.

Money Market Rates

	Today	Prev	Bid/ask	Today	Prev
Money Market					
Discount rate	4%	4%	Rate rate	5%	5%
Prime rate	7 1/4	7 1/4	Call money	5 1/4	5 1/4
Federal funds	4 1/4	4 1/4	1-month interest	5 1/4	5 1/4
90-day Certs Deposit	4.94	4.93	3-month interest	5 1/4	5 1/4
180-day Certs Deposit	4.83	4.85	6-month interest	5 1/4	5 1/4

1-month forward	0.50	NEVES	—
3-month forward	0.07		
6-month forward	0.60		
9-month forward	0.65		
12-month forward	0.65		
18-month forward	0.67		
24-month forward	0.67		

Rate	1-month	3-month	6-month	12-month
Dollar	1.497	1.524	1.549	1.574
Euro	1.213	1.3190	1.3981	1.4742
Japanese Yen	0.0219	0.0284	0.0306	0.0325
Sw Franc	1.36	1.2917	1.445	1.5993

Source: Reuters.

Forward Rates	39-day	60-day	90-day
Pound Sterling	1.6712	1.6158	1.6247
Canadian dollar	1.1972	1.0853	1.0261
Euro	1.4975	1.524	1.549
Japanese yen	0.0218	0.0230	0.0238
Sw franc	1.36	1.294	1.493

Source: Associated Press.

مَكْرًا مِنَ اللَّهِ هُوَ

EUROPE

TV Evangelist Puts His Faith in the Bank of Scotland



Pat Robertson, 700 Club co-host, presidential candidate and, perhaps, partner with the Bank of Scotland.

By David Cay Johnston
New York Times Service

NEW YORK — Pat Robertson, the religious broadcaster who built a fortune from businesses affiliated with his ministry and ran for president in 1988, now wants to go into the banking industry.

Mr. Robertson and the Bank of Scotland have applied for a charter to operate a new national bank in the United States that will have no branches but will instead deal with customers by phone and mail, as the Bank of Scotland already does in Britain.

The same model is used for dealing with donors to Mr. Robertson's Christian Broadcasting Network and his political arm, the Christian Coalition.

The bank hopes to begin accepting deposits in three or four months and to issue credit cards and mortgages later, said Tom Smellie, a spokesman for the Bank of Scotland. The new bank has not yet been named. Mr. Smellie said, but it will not include either Scotland or Mr. Robertson's name in the title.

Mr. Robertson, founder and chairman of the Christian Coalition, will be "a very significant minority shareholder" in the bank and will be chairman of its American holding company, said C.A. Volder 3d, a spokesman for Robertson Financial Services, the unit that is investing in the new bank.

Several banking experts said the arrange-

ment could be highly successful if it tapped even a small part of the vast audience that regularly tunes into Mr. Robertson's daily religious and news broadcast program, "The 700 Club."

Mr. Volder said that the bank would not advertise on "The 700 Club" and that neither the program's mailing list nor the Christian Coalition's would be used to solicit bank business. "Of course the fact that he is endorsing the product is important," Mr. Volder said, "and his co-host may say, 'Dr. Robertson, I hear you are going into the banking business,' and ask him about it."

In some ways, the bank, which is not expected to face major obstacles to regulatory approval, would be a natural extension of Mr. Robertson's existing operations, analysts said.

"Essentially, he is a bank on the deposit side already," said Seamus McMahon of First Manhattan Consulting Group, which advises financial institutions on marketing. "He is one of the biggest fund-raisers in the U.S. between his religious, political and charitable interests."

"Although he will be going after the same people, he is trying to get a bigger share of their wallets. So today he may get \$50 or \$150 as a gift, but he is looking to get \$2,000 and \$3,000 and \$4,000 in deposits."

Eric Hartz, chief operating officer of Security First Network Bank, which operates over the Internet and has one office, in Atlanta,

said that "not having brick and mortar is a great advantage." A big expense in operating a bank, he added, is simply getting the word out.

"If you are Citibank with its phenomenal branch network, you just drop brochures in all the branches to tell people how to reach you," Mr. Hartz said. "Bank of Scotland can accomplish this by teaming with Robertson, who has a pretty strong following."

The idea for the deal grew out of a business loan that Mr. Robertson sought in June from the Bank of Scotland, which has \$4 billion of commercial loans in the United States. He learned that the bank had attracted about 800,000 customers to its phone business, which it started in 1997 in partnership with J. Sainsbury PLC, the British grocery store chain.

Mr. McMahon and others said that Mr. Robertson's high public profile could be a liability for American banks with established names, but not for a foreign bank seeking to enter the U.S. market.

Over the years, Mr. Robertson has made remarks that have drawn complaints from gay activists and members of other minority groups.

Last year, for example, he took note of banners welcoming gay people to theme parks in Orlando, Florida, and said: "I would want Orlando that you're right in the way of some serious hurricanes, and I don't think I'd be waving those flags in God's face if I were you."

Telecom Italia Batters Down

Bloomberg News

MILAN — Telecom Italia SpA said Wednesday that its chief financial officer, Fulvio Conti, had quit and that Giovanni Stella would take over as financial director.

Franco Bernabe, Telecom Italia's chief executive, will assume Mr. Conti's functions as director-general. But Mr. Conti will remain as head of Finisiel, Telecom's software division, which may be sold as part of Mr. Bernabe's plans to focus on telephones and phone service.

The moves increase Mr. Bernabe's control over the world's sixth-largest telephone company as he fights a hostile \$58 billion takeover offer from Olivetti SpA. Telecom Italia also is exploring buying the 40 percent of Telecom Italia Mobile SpA that it doesn't already own, a move that would increase the company's value by about \$18 billion and raise the stakes for Olivetti.

Tieto of Finland to Buy Rival

Compiled by Our Staff From Dispatches

HELSINKI — Tieto Oyj of Finland agreed Wednesday to buy a Swedish rival in computer services, Enator AB, for about \$1 billion in stock to increase its competitiveness in a region that boasts the world's highest rate of computer and Internet usage.

"The two businesses make a very good fit; their strategies are the same," said Visa Manninen, analyst at Carnegie Securities in Helsinki.

Other analysts agreed. "This is a case where one plus one equals more than two, because Tieto gets access to Enator's customers and markets and vice versa," said Michael Schroeder, an analyst at Opstock.

Tieto is offering 0.725 of a share for each one in Enator.

Based on Tuesday's close, that values Enator at 250.80 Swedish kronor (\$30.40) a share, or a 7.6 percent premium to its market price before the offer.

The new company, to be called Tietoenator, will vie with Merkantidata ASA of Norway for the No. 2 position in the Nordic computer-services industry.

Tieto is betting that the purchase will help it catch up with WM-data AB of Sweden, which expects that the Nordic market will grow as much as 15 percent a year. Sweden invests 3 percent of its economic output in the information technology industry.

"Tietoenator will have a strong market position in the fastest-growing businesses, like telecommunications and finance," said Viking Kjellstrom, an analyst at

HSBC Securities in Stockholm. Tieto shares rose 2.40 euros to 40.80 (\$44.39) euros Wednesday, while Enator jumped 18 kronor to 251 kronor.

The combined company would have a market value of about \$3.1 billion and, like Merkantidata, annual sales of \$1.2 billion.

While Tieto is known for its services to the financial industry, including products such as securities trading systems and portfolio management systems, Enator is benefiting more from an increase in communications services, which account for 20 percent of the company's sales.

"Both have finished products that now get access to a larger market," Mr. Schroeder said. (Bloomberg/Reuters)

Peugeot Posts Profit for '98

Agence France-Press

PARIS — PSA Peugeot Citroen said Wednesday that it returned to profit in 1998, reporting net consolidated earnings of 3.18 billion francs (\$571.9 million) after a loss of 2.77 billion francs a year earlier.

The French automaker said it expected to improve its results further this year despite an expected 2 percent fall in the European car market. Peugeot's results were in line with analysts' forecasts; its shares fell 2.80 euros to close at 116.30 euros (\$126.53) on the Paris Bourse.

Jean-Marie Folz, the company's chairman, told reporters that the company was considering mergers or acquisitions in Europe and elsewhere.

"We are looking at the possibilities, and if we find an interesting one, we will grab it," he said.

Investor's Europe

Exchange	Index	Wednesday Close	Change
Amsterdam	AEX	519.16	+1.32
Brussels	BEI-20	2,294.41	+30.43
Frankfurt	DAX	4,687.67	+2.25
Copenhagen	Stock Market	603.28	+0.83
Helsinki	HEX General	6,119.33	+12.66
Oslo	OBX	584.57	+1.75
London	FTSE 100	6,048.30	-0.21
Madrid	Stock Exchange	867.58	+1.08
Milan	MBTEL	2,358.8	+1.50
Paris	CAC 40	4,604.16	+1.10
Stockholm	SEB	4,081.04	+0.58
Vladivostok	ATX	1,152.07	+0.35
Zurich	SMI	4,427.32	+0.38

Very briefly:

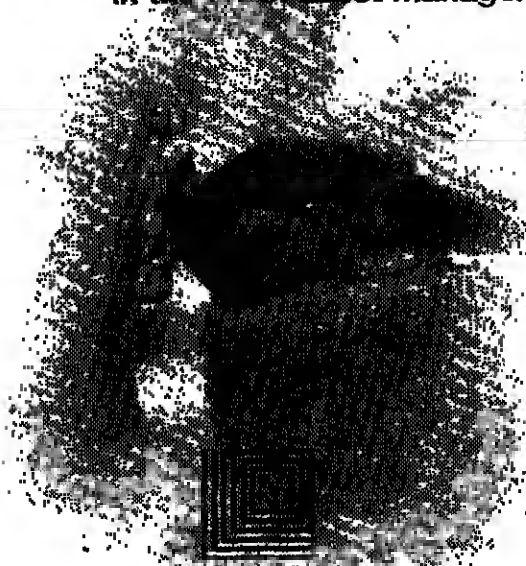
- Canary Wharf Ltd., which announced plans to float stock this week, received a boost when Citigroup Inc. said its corporate and investment banking businesses would occupy about half of a 42-story tower that will soon be under construction at the London site.
- Pison PLC's net income more than doubled in 1998, to \$18.7 million (\$30.2 million), from \$7.7 million a year earlier on a one-time pretax gain of \$11.4 million from the sale of rights in the Syrianian project, a mobile-phone software venture. The British maker of palm-top computers cautioned that profit in 1999 would suffer from costs related to Syrianian.
- The Bank of England ended a five-month run of interest rate cuts and kept its benchmark rate unchanged. The rate, at 5.5 percent, is at its lowest level since 1994 after the bank cut it by 2 percentage points in successive steps since October.
- Norway cut its key interest rates by a half-point each, the second reduction this year, to bolster demand in a slowing economy after employers and labor unions agreed Tuesday to moderate wage growth this year. The central bank cut its deposit rate to 7 percent from 7.5 percent and its overnight lending rate to 9 percent from 9.5 percent.
- Heineken NV's net income rose 29 percent to 443 million euros (\$486.6 million), beating expectations, as higher sales, consolidation and a better product mix offset higher marketing expenses.
- Norway plans to cut its stake in Christiania Bank ASA, the country's second-largest bank, to about a third from 51 percent this month in one of the country's biggest share sales. The Government Bank Investment Fund of Norway said it would sell up to 90 million shares in the bank, or about 16 percent, between Monday and March 19. (Bloomberg/Reuters)

WORLD STOCK MARKETS

Wednesday, March 3	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close
--------------------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------	-------	------	-----	-------

Wednesday's 4 P.M. Close
The 2,300 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

discretion
in the asset management



Lombard Odier

11, rue de la Corraiterie - 1204 Geneva - Switzerland

[illegible]

Continued on Page 17

هكذا من الأممي

صحة من الأصل

NASDAQ

Wednesday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar volume, updated twice a year.
The Associated Press.

Stock	High	Low	Open	Close	Volume
IBM	125.25	124.75	125.00	124.87	1,234,567
Microsoft	55.125	54.875	55.00	54.93	987,654
Apple	45.125	44.875	45.00	44.93	876,543
Amazon	10.125	10.00	10.00	10.00	765,432
Google	25.125	25.00	25.00	25.00	654,321
Yahoo	15.125	15.00	15.00	15.00	543,210
Oracle	35.125	35.00	35.00	35.00	432,109
Sun	20.125	20.00	20.00	20.00	321,098
HP	30.125	30.00	30.00	30.00	210,987
Intel	40.125	40.00	40.00	40.00	109,876

Stock	High	Low	Open	Close	Volume
Alphabet	28.125	28.00	28.00	28.00	98,765
Facebook	18.125	18.00	18.00	18.00	87,654
Twitter	8.125	8.00	8.00	8.00	76,543
LinkedIn	12.125	12.00	12.00	12.00	65,432
Slack	6.125	6.00	6.00	6.00	54,321
Zoom	4.125	4.00	4.00	4.00	43,210
Dropbox	2.125	2.00	2.00	2.00	32,109
Evernote	1.125	1.00	1.00	1.00	21,098
Box	3.125	3.00	3.00	3.00	10,987
OneDrive	1.500	1.400	1.400	1.400	9,876

Stock	High	Low	Open	Close	Volume
Netflix	15.125	15.00	15.00	15.00	8,765
Spotify	10.125	10.00	10.00	10.00	7,654
SoundCloud	5.125	5.00	5.00	5.00	6,543
Bandcamp	3.125	3.00	3.00	3.00	5,432
SoundCloud	2.125	2.00	2.00	2.00	4,321
Bandcamp	1.125	1.00	1.00	1.00	3,210
SoundCloud	0.500	0.400	0.400	0.400	2,109
Bandcamp	0.250	0.200	0.200	0.200	1,098
SoundCloud	0.125	0.100	0.100	0.100	987
Bandcamp	0.0625	0.0500	0.0500	0.0500	876

Stock	High	Low	Open	Close	Volume
Spotify	12.125	12.00	12.00	12.00	7,654
SoundCloud	8.125	8.00	8.00	8.00	6,543
Bandcamp	4.125	4.00	4.00	4.00	5,432
SoundCloud	2.125	2.00	2.00	2.00	4,321
Bandcamp	1.125	1.00	1.00	1.00	3,210
SoundCloud	0.500	0.400	0.400	0.400	2,109
Bandcamp	0.250	0.200	0.200	0.200	1,098
SoundCloud	0.125	0.100	0.100	0.100	987
Bandcamp	0.0625	0.0500	0.0500	0.0500	876

Stock	High	Low	Open	Close	Volume
Spotify	10.125	10.00	10.00	10.00	6,543
SoundCloud	6.125	6.00	6.00	6.00	5,432
Bandcamp	3.125	3.00	3.00	3.00	4,321
SoundCloud	1.125	1.00	1.00	1.00	3,210
Bandcamp	0.500	0.400	0.400	0.400	2,109
SoundCloud	0.250	0.200	0.200	0.200	1,098
Bandcamp	0.125	0.100	0.100	0.100	987
SoundCloud	0.0625	0.0500	0.0500	0.0500	876
Bandcamp	0.03125	0.02500	0.02500	0.02500	765

Stock	High	Low	Open	Close	Volume
Spotify	8.125	8.00	8.00	8.00	5,432
SoundCloud	4.125	4.00	4.00	4.00	4,321
Bandcamp	2.125	2.00	2.00	2.00	3,210
SoundCloud	1.125	1.00	1.00	1.00	2,109
Bandcamp	0.500	0.400	0.400	0.400	1,098
SoundCloud	0.250	0.200	0.200	0.200	987
Bandcamp	0.125	0.100	0.100	0.100	876
SoundCloud	0.0625	0.0500	0.0500	0.0500	765
Bandcamp	0.03125	0.02500	0.02500	0.02500	654

AMEX

Wednesday's 4 P.M. Close
The 150 most traded stocks of the day,
up to the closing on Wall Street.
The Associated Press.

Stock	High	Low	Open	Close	Volume
IBM	125.25	124.75	125.00	124.87	1,234,567
Microsoft	55.125	54.875	55.00	54.93	987,654
Apple	45.125	44.875	45.00	44.93	876,543
Amazon	10.125	10.00	10.00	10.00	765,432
Google	25.125	25.00	25.00	25.00	654,321

Stock	High	Low	Open	Close	Volume
Alphabet	28.125	28.00	28.00	28.00	98,765
Facebook	18.125	18.00	18.00	18.00	87,654
Twitter	8.125	8.00	8.00	8.00	76,543
LinkedIn	12.125	12.00	12.00	12.00	65,432
Slack	6.125	6.00	6.00	6.00	54,321

Stock	High	Low	Open	Close	Volume
Netflix	15.125	15.00	15.00	15.00	8,765
Spotify	10.125	10.00	10.00	10.00	7,654
SoundCloud	5.125	5.00	5.00	5.00	6,543
Bandcamp	3.125	3.00	3.00	3.00	5,432
SoundCloud	2.125	2.00	2.00	2.00	4,321

Stock	High	Low	Open	Close	Volume
Spotify	12.125	12.00	12.00	12.00	7,654
SoundCloud	8.125	8.00	8.00	8.00	6,543
Bandcamp	4.125	4.00	4.00	4.00	5,432
SoundCloud	2.125	2.00	2.00	2.00	4,321
Bandcamp	1.125	1.00	1.00	1.00	3,210

NYSE

Wednesday's 4 P.M. Close
(Continued)

Stock	High	Low	Open	Close	Volume
IBM	125.25	124.75	125.00	124.87	1,234,567
Microsoft	55.125	54.875	55.00	54.93	987,654
Apple	45.125	44.875	45.00	44.93	876,543
Amazon	10.125	10.00	10.00	10.00	765,432
Google	25.125	25.00	25.00	25.00	654,321

Stock	High	Low	Open	Close	Volume
Alphabet	28.125	28.00	28.00	28.00	98,765
Facebook	18.125	18.00	18.00	18.00	87,654
Twitter	8.125	8.00	8.00	8.00	76,543
LinkedIn	12.125	12.00	12.00	12.00	65,432
Slack	6.125	6.00	6.00	6.00	54,321

Stock	High	Low	Open	Close	Volume
Netflix	15.125	15.00	15.00	15.00	8,765
Spotify	10.125	10.00	10.00	10.00	7,654
SoundCloud	5.125	5.00	5.00	5.00	6,543
Bandcamp	3.125	3.00	3.00	3.00	5,432
SoundCloud	2.125	2.00	2.00	2.00	4,321

Stock	High	Low	Open	Close	Volume
Spotify	12.125	12.00	12.00	12.00	7,654
SoundCloud	8.125	8.00	8.00	8.00	6,543
Bandcamp	4.125	4.00	4.00	4.00	5,432
SoundCloud	2.125	2.00	2.00	2.00	4,321
Bandcamp	1.125	1.00	1.00	1.00	3,210

Stock	High	Low	Open	Close	Volume
Spotify	10.125	10.00	10.00	10.00	6,543
SoundCloud	6.125	6.00	6.00	6.00	5,432
Bandcamp	3.125	3.00	3.00	3.00	4,321
SoundCloud	1.125	1.00	1.00	1.00	3,210
Bandcamp	0.500	0.400	0.400	0.400	2,109

Stock	High	Low	Open	Close	Volume
Spotify	8.125	8.00	8.00	8.00	5,432
SoundCloud	4.125	4.00	4.00	4.00	4,321
Bandcamp	2.125	2.00	2.00	2.00	3,210
SoundCloud	1.125	1.00	1.00	1.00	2,109
Bandcamp	0.500	0.400	0.400	0.400	1,098

Stock	High	Low	Open	Close	Volume
Spotify	12.125	12.00	12.00	12.00	7,654
SoundCloud	8.125	8.00	8.00	8.00	6,543
Bandcamp	4.125	4.00	4.00	4.00	5,432
SoundCloud	2.125	2.00	2.00	2.00	4,321
Bandcamp	1.125	1.00	1.00	1.00	3,210

By Don Kirk
International Herald Tribune

chairman of the company, while Chung Ju Yung, 84, insisted that his son, Chung Moong Ku, take over as Hyundai Motor chairman. Hyundai officials said Chung Moong Ku and a younger brother earlier succeeded Chung Ju Yung as co-chairmen of the entire Hyundai group in South Korea's largest conglomerate.

"Chung Ju Yung's eldest Chung Se Yung to resign, and Chung Se Yung accepted that proposal," said Jun Ho Lee, a Hyundai Motor spokesman. "Chung Se Yung withdrew as chairman of the board of directors, and his nephew, Chung Moong Ku, will take that job."

Chung Moong Gyu, once acting chairman of Hyundai Motor, remains vice chairman and chief executive officer, Mr. Jun said.

The shift comes as the company is preparing to expand its already dominant position in the South Korean motor-vehicle industry after losing money last year for the first year since

producing its first car in 1966.

Hyundai is to take over bankrupt Kia Motor Co. at the end of the month by paying 1.7 trillion won (\$1.4 billion) under terms of its bid at last year's auction for Kia. The company also assumes debts from Kia of 6.3 trillion won, Mr. Jun said.

Hyundai Motor also is seeking to streamline and expand motor vehicle operations by absorbing the automotive division of Hyundai Precision & Industries Co. and merging with Hyundai Motor Service Co., which markets Hyundai vehicles in South Korea. Chung Mong Ku chairs both companies.

Chung Se Yung and his son remain Hyundai Motor's largest individual stockholders, with 8.2 percent of the stock, but Chung Ju Yung and Chung Mong Ku exercise control of other Hyundai companies, which own a majority of shares of Hyundai Motor.

France and Italy Assailed for Y2K Laxity

MANILA — The International Telecommunications Union criticized France and Italy for failing to submit compliance reports on the year 2000 computer problem until recently, an ITU official said Wednesday.

Some areas of the world are not reporting their compliance with year 2000 measures, Ron Balls, head of the ITU's millennium bug task force, said at a global conference.

France and Italy failed to update the ITU on their Y2K efforts until they were openly criticized by the ITU at two international telecom-

Japan Pushes!

Agence France-Presse

TOKYO — Japan's key short-term interest rate hit another record low Wednesday, hovering barely above zero, as the central bank wrestled to hold off deflation.

The Bank of Japan poured money into the market for the second straight day, forcing the overnight call rate, the rate at which banks lend to each other, down to just 0.02

The bng probably will cause a "gradual degradation" of telephone services unless it is addressed, Mr. Balls said.

At the same conference, Chai Thantong, the World Bank's principal information officer, said the millennium bug could spread like the currency crisis that battered Asia starting in mid-1997. He said the economic crisis in Asia exacerbated the problem as it "minimized resources" that could have been used in correcting the glitch.

te to Near Zero

(\$330 billion) last year trying to stimulate growth, there is little sign yet of recovery.

With short-term rates at just 0.02 percent, lenders have little incentive to offer money, since most must pay brokerage commissions of about 1 percent at that rate. Meanwhile, long-term rates have fallen from a high last month that was threatening to strangle corporate borrowing.

TOKYO — Japan's key short-term interest rate hit another record low Wednesday, hovering barely above zero, as the central bank wrestled to hold off deflation.

The Bank of Japan poured money into the market for the second straight day, forcing the overnight call rate, the rate at which banks lend to each other, down to just 0.02

(\$330 billion) last year trying to stimulate growth, there is little sign yet of recovery.

With short-term rates at just 0.02 percent, lenders have little incentive to offer money, since most must pay brokerage commissions of about 1% at that same rate. Meanwhile, long-term rates have fallen from a high of 15% last month that was threatening to strangle corporate borrowing.

By Mark Landler
New York Times Service

A senior Hong Kong official said Wednesday that Walt Disney Co. was in early negotiations to build its second Asian theme park in the former British colony, confirming weeks of rumors.

Donald Tsang, the financial secretary, said while delivering the government's budget speech that Disney and the Hong Kong government were "reaching a better understanding about building a park in Hong Kong. He said the two sides would now begin "intensive negotiations" and hoped to make a final decision by the end of June.

Disney operates two theme parks outside the United States, one near Paris and one in Tokyo, in addition to parks in Florida and California.

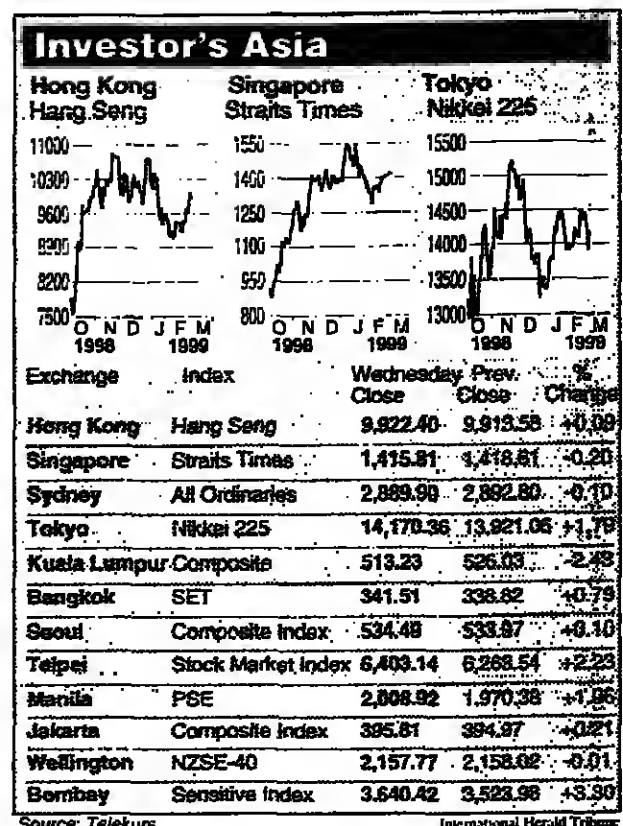
The mere whisper of Disney's interest in Hong Kong has generated giddy excitement in the recession-racked city. Some people have come to view it almost as a pot of gold at the end of the rainbow.

Even as he confirmed the negotiations, however, Mr. Tsang felt obliged to temper public expectations.

"I am fully aware of and indeed

share the public's excitement at the prospect of seeing Mickey and his friends in Hong Kong," he said in the speech. "However, I must caution that while we have made the first important steps, there is still much ground to cover."

The chairman of Disney, Michael Eisner, said in the company's latest annual report that it probably would build a park in China in the coming years. But he did not specify Hong Kong as the location. Before Disney committed to Hong Kong, it would need to agree on details such as the price of the land.



- **Starwood Capital Group LP**, a group of funds affiliated with Starwood Hotels & Resorts Worldwide Inc., is close to buying a stake in Sansiri PCL, an ailing Thai property developer.
- **Cathay Pacific Airways**, Hoog Kong's long-haul airline which in 1998 suffered its first loss in 35 years, said it may cut the salaries of about half of its 1,324 pilots and instead offer them options to buy shares in the company.
- **Nippon Telegraph & Telephone Corp.**'s pretax profit this year will be about 26 billion yen (\$242 billion), "slightly" lower than its target, said Junichiro Miyazu, president of the world's largest telephone company.
- **Hino Motors Ltd.**, Japan's largest maker of buses and trucks, will lose 10 percent of its administrative work force and expects a parent-company net loss of 30 billion yen for the year ending March 31, compared with its previous forecast of a 9.2 billion yen loss, as sales fell more than expected.
- **Australia's** financial-services minister, Joe Hockey, announced plans to introduce uniform regulation for all financial-service products and rules for improved disclosure by financial-service providers.
- **Pengurusan Danaharta Nasional Bhd.**, the body created by the Malaysian government to relieve the country's stagnered banking industry, expects to complete this month its purchase of 7 billion ringgit (\$1.8 billion) in bad debts from Bumiputera Commerce Bank Bhd.

Bloomberg

For information please contact:

Lyora Rami: Fax (33-1) 41 43 92 12 or e-mail: funct@frt.com

To receive free daily quotations for your

funds subscribe at: e-funds@iht.com

March 3, 1999

<http://www.3rt.com/IHT/FUN/funds.html>

[illegible]

WORLD ROUNDUP

An Appeal to Clinton

OLYMPICS President Bill Clinton was urged Wednesday to place the International Olympic Committee under the same federal law that deals with dishonest foreign governments.

The U.S. Olympic Committee's president, Bill Hybl, sent the request to Clinton in a letter, and said such action would be an important step toward cleaning the Olympics of the "global crisis" of the Salt Lake City scandal, in which bidders paid more than \$1.2 million to try to buy the votes that helped win the 2002 Winter Games.

"To do any less would mean facing a future that might include the loss of the games and noble ideals they profess," Hybl said. He said USOC oversight of Salt Lake bidders had been "abysmal." The USOC's executive director, Dick Schultz, said the scandal was "embarrassing." Both promised it would not recur.

"We are trying to put in place procedures, policies and individuals who will not allow this to happen again," Hybl said at a news conference in Washington. (AP)

Rescuer Takes the Lead

SAILING Giovanni Soldini, with the French sailor Isabelle Autissier aboard, won the third leg of the Around Alone solo round-the-world yacht race Wednesday.

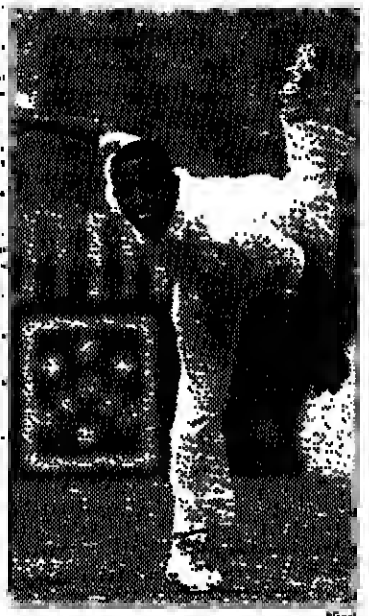
The Italian rescued Autissier when her yacht capsized in the Southern Ocean in February.

Soldini had trailed Marc Thiercelin by 18 hours, but the Frenchman won from Auckland to Punta del Este, Uruguay, in 25 days, 9 hours and 55 minutes. (AP)

Test Is Stuck in a Draw

CRICKET The first test between New Zealand and South Africa ended in a draw Wednesday in Auckland on a surface that gave new meaning to the cricket phrase "sticky wicket." Officials had sprayed wood glue on the wicket before the test to hold together turf weakened by fungus and rugby matches. Only 18 wickets fell over the five days.

At the end, the Kiwis were 244 for three in their second innings, 25 behind South Africa's first innings score of 621. (AP)



Paul Adams, the South African spin bowler, following through on a delivery on Wednesday.

25 Turnovers By Jazz Lead Trail Blazers To Victory

The Associated Press
PORTLAND, Ore. — When the horn sounded and the team with the best record in the league left the floor beaten, the Portland Trail Blazers huddled together like high school kids, ticker-tape and cheers floating around them.

It was a joyous moment for the Trail Blazers, who made a statement against a team that had been to the last two NBA finals, but one that was dismissed by the Utah Jazz.

"They played well, and they're a very talented team — probably the most talented team in the league," said Jerry Sloan, Utah's coach, following his team's 102-100 double-overtime loss Tuesday night. "But we just gave this game to them."

Utah, which still has the NBA's best record at 11-3, gave away plenty against the Blazers, turning the ball over 25 times and making un-Jazzlike mistakes late in the game. But the Blazers, second-best in the league at 10-3, took the fight to the Jazz. And in the end they wrestled the game away.

Isiah Rider hit two big shots in the second overtime and Rasheed Wallace made two free throws with 17 seconds left to give Portland the lead for good in the battle of the Western Conference's two division leaders.

"We're growing up," said Brian Grant, a Blazers forward who had 13 points and 12 rebounds. "We're getting a little bit of what Utah has had for the last five years: a little leadership, a little poise, veteran play down the stretch."

Heat 85, Knicks 84 In Miami, in a matchup of former Georgetown University centers, New York's Patrick Ewing scored a season-high 31 points and Alonzo Mourning had 28 points, 11 rebounds and 7 blocked shots for the Heat. But Ewing missed a 14-footer (4-meter) as time ran out.

Ewing had 16 rebounds and 6 blocks. But he missed two shots and committed a turnover in the final two minutes of regulation, then missed the potential game-winning jumper over P.J. Brown in overtime.

Pistons 108, Bulls 78 Detroit handed Chicago its worst loss ever at the United Center, the previous worst was an 18-point loss to Philadelphia last week.

It was Detroit's first victory in Chicago since March 1990.

Kings 111, Grizzlies 101 Chris Webber scored 36 points and had 17 rebounds as



Shawn Kemp of the Cavaliers, right, being blocked at the net by Tony Battie of the Celtics. Cleveland romped to victory, however, 116-99.

Sacramento won in Vancouver.

Spurs 99, Rockets 82 Tim Duncan had 23 points and 14 rebounds as San Antonio won in Houston. The Spurs sped to a 53-37 halftime edge as a former Houston guard, Mario Elie, had 15 first-half points. He sat out the second half with a strained left hamstring.

Mavericks 112, Clippers 99 In Dallas, Michael Finley scored 20 points and A.C. Green had 19 points and 12 rebounds, both season highs, as the Mavericks kept the Los Angeles Clippers winless.

Pacers 88, Nuggets 81 Denver went without a field goal for more than seven minutes in the final period as Indiana went on a 16-1 run to clinch the game. It was Denver's seventh consecutive road loss.

Wizards 97, Hawks 77 Washington ended a four-game losing streak, shooting 42 for 71 (59 percent) for the game. Bernie Bickerstaff, the Wizards' coach,

missed his second consecutive game with the flu. He did not make the trip to Atlanta with the team.

Cavaliers 116, Celtics 99 In Cleveland, Shawn Kemp scored 22 points as the Cavs broke the 100-point mark for the first time this season.

Cleveland shot 58.1 percent from the field just one night after making a franchise-low 21 field goals on 29.6 percent shooting in a loss at New York.

Bucks 94, Nets 86 Glenn Robinson scored eight of his 18 points in the final 2:49 as Milwaukee scored 11 of the last 13 points to win in New Jersey.

The Nets lost for the seventh time in eight games and fell to 3-11.

Timberwolves 89, Warriors 78 Kevin Garnett scored 27 points and Stephen Marbury had 13 of his 19 in the fourth quarter as Minnesota, which had lost three in a row, beat visiting Golden State.

Seton Hall Downs Notre Dame, 79-69

The Associated Press
NEW YORK — The first two times Seton Hall played Notre Dame this season, the Pirates lost and Duane Jordan and Kimas Kaukenas were not factors.

In the game that meant the most, however, each scored 18 points to lead Seton Hall to a 79-69 victory Wednesday in the opening round of the Big East tournament.

"With our good defense came good offense," said Jordan, who also had 13 rebounds.

Seton Hall, whose opponent Thursday in the quarterfinals is the top-seeded and third-ranked Connecticut, had two decent outings against the Huskies this season, leading at halftime both times before losing.

Eight-seeded Notre Dame (14-16) has never won a Big East tournament game, dropping to 0-4 since joining the league.

Virginia Tech 74, Fordham 63 In Philadelphia, Rolan Roberts scored 19

points and Virginia Tech held Fordham to 34 percent shooting as the Hokies advanced to the quarterfinals of the Atlantic-10 Conference tournament.

Brendan Dunlop added 15 points, including two key baskets in the second half that helped turn away Fordham rallies. The Hokies (13-14) advanced to play the East division's top seed, Temple, on Thursday.

Penn Takes Ivy League Title

Geoff Owens scored 14 points and sparked a decisive run to start the second half as Penn won the Ivy League championship, with it an NCAA berth, for the first time in four years. The Associated Press reported from Princeton, N.J.

Penn (21-5 overall, 13-1 Ivy League) avenged an earlier loss to Princeton in which the Quakers blew a 27-point lead. The loss by Princeton (20-7, 11-3) ended its streak of seven straight victories over Penn, three Ivy titles and 26 Ivy victories at home. Penn's starters combined for 68 points, as Jed Ryan scored 15 and Paul Romanczuk, Matt Langel and Mike Jordan each had 13.

For Cepeda, a Prize Worth Waiting For

Infielder 'Ready' to Join Friends in Hall

The Associated Press
TAMPA, Fla. — It was the spring of 1953, and a young teenager named Orlando Cepeda made quite an impression among elite company.

Bill White and Willie McCovey, future Hall of Famers, took note. So did Leon Wagner and Willie Kirkland, two more prospects who would go on to have productive major-league careers.

"We were all with the Giants," recalled White, the former National League president and a member of the Veterans Committee that elected Cepeda to the Baseball Hall of Fame on Tuesday. "We knew then that Orlando was something special."

Eventually, Cepeda would take over as the Giants' first baseman — in a lineup with Willie Mays, Juan Marichal and McCovey — after White was traded to St. Louis. Later, he would wind up with the Cardinals, replacing White in the lineup again.

Cepeda, who hit 379 home runs in a 17-year career, joined the Negro Leagues pitcher Smokey Joe Williams, the turn-of-the-century manager Frank Selee and the former umpire Nestor Chylak as selections by the 12-man committee.

Among the former players, managers and executives receiving support, but not the necessary nine votes for election, were Bill Mazeroski, Dom DiMaggio, Joe Gordon, Bowie Kuhn, Dick Williams and Whitey Herzog.

Marichal, a member of the committee, called Cepeda with the good news that they would be teammates in the Hall of Fame. Cepeda missed by just seven votes in his final year on the ballot of the Baseball Writers Association in 1994. He came close last year in voting by the veterans.

"He was the type of player who had no fear, the type of player you wanted playing behind you," Marichal said.

Cepeda hit .297 with 1,365 runs batted in and played in nine All-Star games.

"It's hard to explain the feeling," Cepeda said Tuesday at 3Com Park in San Francisco, which was called Candlestick Park when he played there. "I've been ready for this for 17 years. When they told me I was selected, I lost my mind."

Murray Chass of The New York Times reported earlier:

Cepeda, hampered by bad knees throughout his career, said he believed his arrest in Puerto Rico in 1975 for smuggling marijuana had worked against his earlier election.

"They didn't know me," he said of the writers who voted. "Maybe they heard some things about me that weren't too cool. Later on, I don't think they felt that way. When they got to know me, they knew I was a human being who made mistakes."

Cepeda, who works for the Giants in community affairs, said he closely followed the recent debate involving Lawrence Taylor's election to the Pro Football Hall of Fame. "I'm glad they voted for him," Cepeda said, who served a 10-month prison sentence, said. "When you are human beings, you can make mistakes. I learned from my mistakes."

Subsequent to his arrest, Cepeda became a Buddhist. He said he believes he will be the only Buddhist in the Hall of Fame when he is inducted July 25 with Nolan Ryan, George Brett and Robin Yount, whom the writers elected last month.

Cepeda was a unanimous winner of the National League Rookie of the Year award with the Giants in 1958 and of the National League's Most Valuable Player award with the St. Louis Cardinals in 1967. He also played for Atlanta, Oakland, Boston and Kansas City.

Chylak was elected 17 years after he died at the age of 59. He served as an American League umpire for 25 years, from 1954 through 1978, and is the eighth umpire elected to the Hall.

Blues Stun Predators, 5-1

Chase Blossoms With Two Goals and an Assist

The Associated Press
KELLY Chase put a different kind of hurt on the Nashville Predators this time.

Chase has a reputation as an enforcer, not a scorer. On Tuesday night, he

scored twice in 33 seconds and added an assist. It was all St. Louis needed as it beat Nashville, 5-1.

"Even a blind dog finds a bone once in a while," said Chase, a veteran right wing.

It was the Blues' sixth consecutive road victory, a team record. And it was the first two-goal game for Chase in 426 National Hockey League games.

Even after the offensive show against the Predators, Chase has a total of 1,871 penalty minutes and just 17 goals in his career.

Chase opened the scoring at 18:26 with a wrist shot over Mike Dunham's glove. At 18:59, he made it 2-0 on the rebound of Scott Young's shot. Mike Eastwood assisted on both.

Capitals 8, Lightning 2 Peter Bondra's first of two goals sparked a five-goal first-period outburst for Washington in Tampa. Bondra, who also had an assist, has 29 goals in 29 games against Tampa Bay, including six goals and two assists in his last two games against the Lightning.

Canadians 4, Flyers 1 Shayne Corson, Jonas Hoglund and Martin Racinsky scored three-period goals to lift Montreal past slumping Philadelphia, which suffered a season-high fourth straight loss. It was the fifth consecutive road defeat for the Flyers, who led the Eastern Conference a week ago, but have since dropped to fourth place.

The victory was Montreal's fifth in a row at home.

Braves 3, Coyotes 2 P.J. Axelsson had a goal and an assist and Byron Dafoe made 28 saves as Boston extended its unbeaten streak to five games.

Phoenix lost its third straight and eighth of its last nine. The Coyotes head home with a 1-6-0 record for their two-week road trip.

Senators 4, Islanders 2 Daniel Alfredsson's tip-in goal with nine minutes left capped a three-goal rally for Ottawa.

Alfredsson redirected Lance Pitlick's slap shot for Ottawa's sixth victory in its last eight games. The victory put the Senators into the Eastern Conference lead.

Rangers 2, Stars 2 Mike Richter made 28 saves as New York tied Dallas to be unbeaten in three games since losing Wayne Gretzky, who has a neck injury.

The Stars had their seven-game road winning streak stopped but grew their unbeaten road streak to nine.

FINANCIAL SERVICES

Funding Problems?
Fax BANCOR Today!
(632) 610-9284
www.bac.com.ph

Announcements

Herald Tribune

SUBSCRIBER CUSTOMER SERVICE:
For questions or queries about the delivery of your newspaper, the status of your subscription or about sending a subscription, please call the following numbers:
EUROPE, MIDDLE EAST AND AFRICA:
TOLL FREE - America 0800 6120
Belgium 0200 4 448 7827 France 0200 4 448 7827 Germany 0200 4 448 7827 Great Britain 0200 4 448 7827 Italy 0200 4 448 7827 Japan 0200 4 448 7827 Korea 0200 4 448 7827 Sweden 0200 4 448 7827 Switzerland 0200 4 448 7827 Taiwan 0200 4 448 7827 Thailand 0200 4 448 7827 USA (toll-free) 1-800-882-2294 Elsewhere (toll-free) 1-800-882-2294
212 752-8800 ASIA: Hong Kong 3222 1170 Indonesia (021) 7176261 Japan (03-456) 4120 454 121 Korea 3272 0044 Malaysia (03) 9812814 Philippines 895 4946 Singapore 322 0635 Taiwan 7733456 Thailand 277 4485 Elsewhere (toll-free) 1-800-882-2294

Legal Services

DIVORCE IN 1 DAY. No trial. No court. No 307, Sudbury, MA 01776 USA. Tel: 508-445-8387, Fax: 508-445-0183.

TELECOMMUNICATIONS

kallback
New
Lower Rates!

Call the U.S. from:
France.....20c
Germany.....21c
Italy.....27c
Japan.....22c
U.K.....16c

No 24 hr. No 24 hr. No 24 hr.

Instant Activation
Fiber-Optic Networks
Ideal for Home, Office,
Hotels and Mobile Phones
Agent inquiries invited
Tel: 1.206.376.1962
U.S.: 1.800.965.1626
Fax: 1.206.376.1963
417 Second Avenue West
Seattle, WA 98119 USA
Email: info@kallback.com

Business Opportunities

CAPITAL CORP. Merchant Banking & Equity Development
Agents in Europe, Far East, Surveys
Tel: 001-407-345-3457

OFFSHORE COMMERCIAL BANK with established correspondent relationships.
Class A Service. Management available.
IMMEDIATE DELIVERY. US\$450,000. Tel: 403-233-8498 Fax: 403-233-8988

Business Opportunities

OFFSHORE COMPANIES. For free brochures or advice Tel: London 41 181 741 1224 Fax: 44 181 748 5558/5338
www.applon.co.uk

Business Services

YOUR OFFICE IN LONDON
Bond Street - 4th Floor, Phone: Fax: Tel: 44 171 250 8000 Fax 171 495 7517

Business Travel

1st/2nd/3rd Class Frequent Travellers Worldwide. Up to 50% off. No cap. no restrictions. Imperial Canada Tel: 1-514-341-7227 Fax: 1-514-341-7298
e-mail: fly@imperialcanada.com
http://www.imperialcanada.com

Capital Wanted

INVESTORS WANTED
SWISS Public Limited Company specialized in Travel magazines is opening to capital to additional INVESTORS
For further information please contact CAPARNECA INTERNATIONAL S.A.
C.P. 193, 1223 Geneva, Switzerland
e-mail: info@caparneca.com

Financial Services

HTC, Providing A Confidential Company
And Trust Formation Service - With Bank Accounts - Anonymous And 100% Free -
Tel: +41 22 32 22 225
Email: info@htc.ch

Financial Investments

24 Hour Online Currency Trading
Free 24 hour quotes, news, & charts.
Free 1 month demo www.applon.co.uk

Real Estate for Rent

London

CENTRAL LONDON Fully furnished, luxury flat 3 rooms. Sea view. Single person. 2000 sq. ft. Min 1 yr. Tel: +44 (0) 1753 921 367 Fax: +44 (0) 1753 921 367

Paris Area Furnished

AGENCE CHAMPS ELYSEES
Specialists:
Furnished apartments, 3 months or more or unurnished, residential areas.
Tel: +33 (0) 1 42 25 32 25
Fax: +33 (0) 1 45 63 37 08

Switzerland

GENEVA, LUXURY FURNISHED apartments. From 3 rooms to 4 bedrooms. Tel: +41 22 725 6207 Fax: +41 22 725 6271

Next Special Heading

REAL ESTATE IN FRANCE
March 12th 1999

REAL ESTATE
"In and around PARIS"
March 26th 1999

For more details please contact:
International Herald Tribune
in Paris
Tel: +33 (0) 1 41 43 93 85
Fax: +33 (0) 1 41 43 93 70
E-mail: classified@iht.com

Escorts & Guides

ALL ABOUT EVE

THE ESCORT SERVICE
WITHOUT COMPROMISE

LONDON

0171 581 4888
INTERNATIONAL
CREDIT CARDS WELCOME

HIGH SOCIETY

The Most Prestigious Escort Agency
Executive Service Worldwide
Geneva, London, Zurich & Frankfurt
Sophisticated, Intelligent, Stunning Ladies
HO in London. Established in Germany
Bavaria, Muen, USA
Tel: +44 (0) 171 286 1033 or
+44 (0) 7000 44476

international ESCORTS

World's top international escorts
New York US HQ: 212-755-7896
OFFICE@INTL-ESCORTS.COM

SWITZERLAND-GERMANY

BELGIUM-LUXEMBOURG-UK

+31-20-427 28 27
Zurich-Geneva-Basel-St. Gallen
Frankfurt-Wurzburg-Cologne-Bonn
Dusseldorf-Munich-Hamburg-Berlin
Brussels-Amsterdam - Luxembourg
"TRAVEL SERVICE WORLDWIDE"
LONDON: 0171-978 6506
CORNISH Escort Agency - Credit Cards

BELGRAVIA ORCHIDS

London/Park escort agency, Cards.
LONDON +44 (0) 171 957 1515

ELITE ESCORT SERVICE - ISTANBUL

ISTANBUL/FRANCE/ITALY/ATHENS/PAIRS
BRUSSELS/GERMANY/SWITZERLAND
COTE D'AZUR/ROMANIA/SPAIN
Tel: +39 (0)25 919 9438 Credit Cards

+3120-5789-221

WORLD WIDE ESCORTS
SELECTION FROM PICTURES

PARIS

GENEVA Escorts +41 78 687 7894
***** EUROCONTACT INTL *****
PARIS/ATHENS/GENEVA/ZURICH
BRUSSELS/BRUSSELS/LONDON/VIENNA
MILAN/ROME/GERMANY/PRAGUE
COPENHAGEN/MANAG/PHILIPPINES
Escort Service Vienna +43-1422 0431
ALL EUROPE MEMBERS HIGH SOCIETY
Vienna, Paris, Milan, Munich,
Zurich, Geneva, Frankfurt
International Escort & Travel Service
Vienna +43-1422 0431 04 all credit cards

European JET SET - VIENNA - PARIS

SWITZERLAND/FRANCE/GERMANY
ROMANIA/LUXEMBOURG/LONDON
Vienna +43-1470 00 55 Escort Service

PARIS ESCORTS

+33-1-4789-221
***** ZURICH - GENEVA - BERLIN *****
HAMBURG - FRANKFURT - MILAN
- CAEN/ESCORT AGENCY
Tel: 0041-048 80 70 77 - Credit Cards

ABEIL, Charming, sophisticated,

English beauty, 24 hr phone escort service
in London. 07001 008 008. Credit cards.
ALEXIA, ELEGANT & sensitive Italian.
A Very Special Warm Escort Service.
Tel: London 07877 894089

ASIAN & EUROPEAN ESCORT Service

"MALANTALY" SWITZERLAND/ PARIS
"COTE D'AZUR" TEL: +39(0)338 498 9504

"BRUSSELS"

Sandrine, Classy Escort Service
Tel: +32-2344.41.12

BARCELONA & MADRID & All Spain

Most exclusive, high class service.
Tel: 093 708 673. All Cards
BEAUTIFUL, YOUNG, BRAZILIAN
Friendly, Exotic, Charming Companion
London Escort Service 0201 376 909

BLACK BEAUTY ESCORT Service

Exclusive Elegant, Educated & Friendly
London & Worldwide. 0181-5515595.Cards

BRUNETTE GREEN-EYED MODEL

Stunning/Young/Smart/Successful. Escort service London 0171 913 2014

SPORTS

In Soccer, Status Means a Club TV Station

Manchester United, Olympique Marseille and Real Madrid Are First to the Air

By Christopher Clarey
International Herald Tribune

SEVILLE, Spain — For the leading soccer powers, it is no longer enough to have an expensive striker from Brazil, or an expensive defender from France. It is no longer enough to have a modern stadium and a stable full of sponsors.

If a club wants to impress its rivals, it needs its own television station. Manchester United, the popular English club, was the first to offer itself the sporting equivalent of a vanity license plate last September. Olympique Marseille, which has the largest following in France, did the same in January.

The channel devoted to Real Madrid, the reigning European champion, began broadcasting Feb. 15, beating the club's arch-rival, Barcelona, to the digital airwaves.

Clubs that were once content to publish a newsletter for their fans are now producing or authorizing daily programming. Marseille's channel, OMTV, is on the air four hours a day. Manchester's, called MUTV, is on for six. Real Madrid TV is as ambitious as the club's hiring-and-firing president, Lorenzo Sanz: It broadcasts 12 hours every weekday with extra time allotted on the weekends.

All three channels are pay channels on satellite or cable. The goal, according to Neil Davis, MUTV's finance director, is to convert to those without a ticket.

"Manchester United has a capacity of 55,000 at Old Trafford, and there are 4 million more Manchester United fans in the country and a further 8 million outside the United Kingdom," he said.

American sports franchises, quite accustomed to lighting the way in marketing and self-promotion, can

now take note (and take notes). No American team in any sport has its own network. That is partly because satellite television, which has the capacity to carry thousands of digital channels, has more momentum in Europe than in the United States. It is also because American impresarios and media companies don't yet view the concept as potentially profitable.

But they have, in any case, created less exclusive versions of it. When Ted Turner launched Superstation, his Atlanta-based cable channel in the 1970s, the professional teams that Turner owned, the baseball Atlanta Braves and the basketball Atlanta Hawks, were core programming. Several regional cable networks, such as Fox Sports West and the Madison Square Garden network in New York, run programming that relies heavily on local teams.

The soccer season in Europe is longer than either the NBA or Major League Baseball season, but what is remarkable about the three club channels is that they do not yet broadcast any of their premier teams' games. The rights to those matches are part of the television packages sold by their leagues. Instead, MUTV, OMTV and Real Madrid TV settle for showing replays of big games from previous seasons. MUTV and Real Madrid TV also broadcast reserve-team and youth-team matches.

This may be no way to attract large audiences, but club network officials hope they will soon be able to broadcast first-team encounters, at least on a delayed basis.

In Britain, the government is deciding whether the Premier League constitutes an unfair monopoly when it sells TV rights as a package. Rupert Murdoch's satellite arm, Sky Television, which owns those rights, is a partner in MUTV and is bidding to

buy Manchester United, which would ensure that even if the government invalidates its contract, Sky would keep the most popular club.

Isabelle Rey-Corredat, a spokesperson for Olympique Marseille, said, "When the rights are renegotiated in France there could be some changes, and perhaps our president, Robert Louis-Dreyfus, will decide he wants to get back the rights to our team's league games."

Until then, the club networks will attempt to provide hors d'oeuvres for viewers who will take their main soccer meals elsewhere. OMTV currently has the most meager fare, which is not surprising considering that it has by far the smallest staff (about 20 employees, compared with 50 at Real Madrid's channel and the 60 or more at MUTV).

MARSEILLE'S channel has only an hour of original programming daily, oriented toward the club's upcoming matches, and an inordinate number of repeats for a network that is only six weeks old. MUTV does four nightly news updates, including reports from practice, which are a staple of all the club channels.

For now, MUTV's reach is limited to British satellite and cable viewers willing to pay £5 (\$8) a month. OMTV is on the Canal Satellite Digital service in France for 35 francs (\$5.85) a month. Real Madrid TV is on the same service in Spain and will cost 750 pesetas (\$5) monthly when its promotional offers expire.

MUTV does not release subscriber figures. OMTV has 19,000 subscribers, and Real Madrid TV, which also covers the club's basketball team, has 35,000 after less than two weeks of operation—a tribute to Real Madrid's appeal and to the fact that the channel

is free until June to early subscribers. Of the three new channels, only OMTV is owned exclusively by its club. While OM's production staff is in-house and two of its presenters—Eva Bravo and Laetitia Roy—are the wives of current OM players, Real Madrid TV is produced by an independent production company.

In theory, that means Sanz and other club officials do not have editorial control. "This is a Real Madrid channel, independent of those who run the club," said Javier Ares, the channel's director. In practice, independence will prove difficult to maintain.

In only its second week, the channel carried all the commotion surrounding the firing of Guus Hiddink as coach and the hiring of John Toshack. It made for a welcome break from junior games covered ineptly with too few cameras and nervous interviewers glancing too often at their notes.

But at least Real Madrid TV's interviewers have subjects. The soccer team's players have been boycotting the media for weeks, but they have made an exception for their own television channel. Fernando Hierro, a defender, who had not spoken publicly since Sept. 1, was among those to break his silence.

Although personnel at Real Madrid TV have been quick to celebrate these coups, there is no reason for the general public to celebrate. If enough elite teams launch their own channels, it is hardly a leap to imagine players regularly bypassing the independent media and using the club channel, with its symbiotic imperative and accommodating interviewers, as their principal means of communication.

It remains to be seen whether fans will prove discriminating about the forums by which their local heroes choose to express themselves.

Bordeaux Holds Off Parma, 2-1

Compiled by Our Staff From Dispatches

Hernan Crespo used his favorite trick to give Parma a late goal, but Bordeaux prevailed, 2-1, in their UEFA Cup quarterfinal first-leg match.

With host Bordeaux leading by two goals Tuesday and Parma reduced to 10 men by the expulsion of its captain,

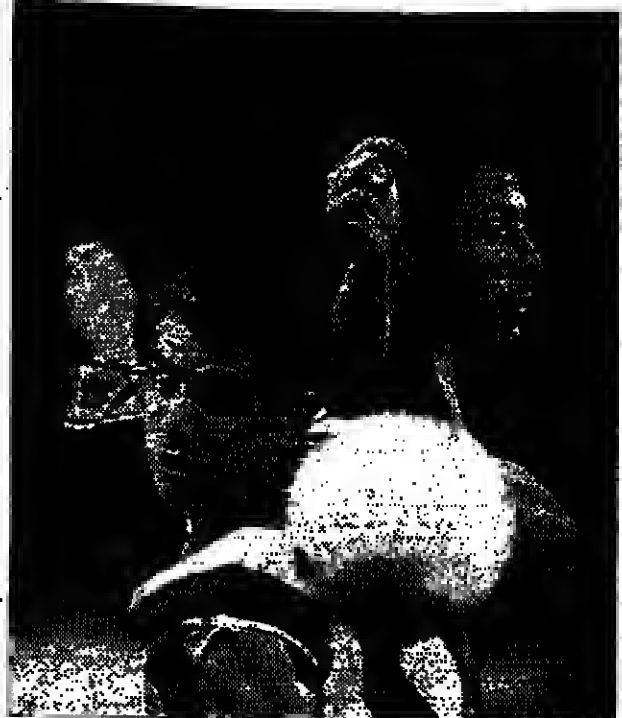
UEFA Cup

Antonio Benarrivo, Parma's Enrico Chiesa counterattacked down the right flank. Crespo met Chiesa's low drive into the penalty area with his right heel, flicking the ball behind his left leg and into the far corner of the net. It was the third time this season he has scored with the same sleight of foot.

Parma was lucky to lose by just a goal after a fine game by Bordeaux. Johan Micoud and Sylvain Wilford had put the Girondins in control in the first half with two well-crafted goals. But they were thwarted by Gianluigi Buffon, the Parma goalie.

Marseille 2, Celtic 1: In a tight contest, Celtic's 11th-minute goal was enough to give the Scottish side the lead. In the 68th minute, Celtic's goalkeeper, Stephen Morris, was sent off for a foul. Celtic's French goalkeeper, a string of saves to keep Marseille out early on.

Marseille opened the scoring just after the half hour with a shot inside the far post



Atletico's Vladimir Jugovic, left, vying for the ball with Marco Delvecchio of Roma in their UEFA Cup match.

after Christophe Dugary stole the ball from the defender Goran Djurjic on the edge of the penalty box.

Dugary also started the move that led to Marseille's winner in the 68th minute. He sent Robert Pirès away on a right, and the playmaker beat a defender before crossing for

Mostovoi, who blasted the ball home inside the near post. Mostovoi had leveled four minutes earlier when the Marseille goalie, Stephane Morris, let a tame, low cross from the left by Haim Revivo slip from his hands.

Atletico Madrid 2, Roma 1: Luigi Di Biagio scored a late goal in Madrid when he smashed a free kick into the top corner of the Atletico goal from 30 meters (100 feet).

Atletico had taken a two-goal lead on tallies by Jose Mari Romero and Roberto Fresnedoso. The lead was just reward for Atletico, which was on top from the outset.

Jose Mari put the hosts ahead with a header from a Michele Serena cross in the 13th minute and also hit a post with a curling right footer.

Atletico doubled the lead a minute after the break when Fresnedoso dribbled his way through the Roma defense and blasted a shot into the net.

In a game reported in late editions Wednesday:

Bologna 3, Lyon 0: Giuseppe Signori scored twice as Bologna put itself in a strong position to advance to the semifinals, brushing aside visiting Lyon. (AP/Reuters)

SCOREBOARD

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

WOMEN

NHL STANDINGS

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

ATLANTIC DIVISION

PACIFIC DIVISION

NHL STANDINGS

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

PACIFIC DIVISION

N.Y. Rangers

NHL STANDINGS

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

N.Y. Rangers

ART BUCHWALD

If I Had a Trillion

NEW YORK — When I was a young man, and you have to take my word that I was, we talked about money with a lot more respect than kids do today. For example, no child was permitted to say "a billion dollars" in front of adults. It was unthinkable, and your parents would threaten to wash out your mouth with soap.

The only accepted sum of money you could discuss was "a million." We used to say to each other, "I'll bet you a million dollars you can't crawl through that sewer pipe," or "I'll bet you a million dollars your folks won't let you stay out until 10 o'clock at night."

While no one paid off, it was a serious number and one that showed you were willing to put your money where your mouth was.

Songsmiths used to write lyrics about a million dollars: "I found a million-dollar baby in a five- and ten-cent store." Everyone in the country knew that Rockefeller was a millionaire, as were Henry Ford and Doris Duke, the tobacco heiress. What made John D. Rockefeller our role model was that, as a millionaire, he gave away dimes when he appeared in public. But at least

everyone in the country was playing in the same ballpark — during the Depression the haves and have-nots all discussed the value of their lives in terms of millions.

This all came to mind when I read in the newspaper that Citibank and Travelers Group insurance were going to merge for \$82 BILLION — a very high price for two companies to sleep together.

It was a number that no one of our generation ever thought we would read in a family newspaper.

I was certain that there wasn't a person in Citibank who had ever seen a billion dollars — much less 82 big ones. And yet that was what they were willing to pay to be joined at the hip.

I knew the sound barrier on money had been broken forever when I walked by a school yard and I heard one boy yell to another, "I'll bet you a trillion dollars you can't hit the ball over the fence."

The other boy shouted, "I'll bet two trillion I can." I yelled, "How dare you use that language in public!"

One youngster retorted, "My dad uses it all the time."

The other said, "It's a free country."

"Up to a point. It's one thing to yell 'fire' in a crowded theater. It's another to bet a trillion dollars on a home run."



Buchwald

A Sundance Center in Boston

The Associated Press

BOSTON — Robert Redford, director of the Sundance Film Festival in Utah, has announced the formation of a new Sundance Cinema Center that will showcase independent films in a \$40 million building to be built in Boston.

The complex — which would have 1,800 theater seats — also would contain a film library, two screening rooms, an auditorium, a restaurant and two bars. Pending approval, construction will start in one year.

Provocative Literary Star Takes France by Storm

By Alan Riding
New York Times Service

PARIS — Michel Houellebecq is an unlikely new star of French letters. Slightly built, with thinning hair and a melancholic mien, he chews nervously on a succession of cigarettes, mumbling when he is not sighing or silent. He describes himself as a manic-depressive who becomes excited only when he is writing. His fiction, which he concedes is fairly autobiographical, reflects a bleak and loveless world.

Yet last fall, with the publication by Editions Flammarion of his second novel, "Les Particules Elementaires" ("Elementary Particles"), the 40-year-old Parisian suddenly found himself at the center of "l'affaire Houellebecq." The book was an instant best-seller, with sales exceeding 260,000 to date. But what turned this success into an "affaire," or scandal, was the passion and venom with which the book's admirers and critics argued its merits.

Both sides at least agreed on one thing: The book is a frontal attack on the generation of '68, the French equivalent of the baby boomers, the middle-aged politicians, businessmen, intellectuals and the like who are now in power in France. For its fans the book exposes the empty, confused and frustrated France spawned by the failed dreams of the 1968 student-protest movement. Its assaults on so-called "political correctness" apparently added to its appeal. Houellebecq's targets, on the other hand, became his instant detractors, variously denouncing the book as reactionary, misogynist, nihilistic and pornographic.

Houellebecq helped things along by giving countless, often provocative, interviews to newspapers, magazines, radio and television. When his novel was not short-listed for the Prix Goncourt last November, he reiterated the familiar charge that payoffs explain why Goncourt juries invariably reward books published by three highbrow houses: Editions Gallimard, Grasset and

Seuil. He later dismissed the winner, Pauline Constant's "Confidence pour Confiance" ("Secret for Secret"), published by Gallimard, as mediocre and boring.

Other incidents kept tongues wagging. After a bizarre interview conducted by fellow editors of the literary review *Perpustakaan*, Houellebecq was formally expelled as a founding member, prompting cries of McCarthyism. The owners of a New Age magazine called *L'Espace du Possible* then sought to have "Les Particules Elementaires" seized as libelous for describing the camp as a kind of free love commune. The author agreed to rename the magazine *Le Lien de Changement* in future editions.

The plot of the 394-page novel revolves around two half brothers whose bohemian mother leaves them to be raised by separate grandparents as she goes looking for the meaning of life through sex and meditation. One brother, Bruno Clement, who spends his life trying to satisfy his sexual obsession through masturbation and prostitution, ends up in a psychiatric hospital. The other, Michel Djerzinski, who feels no sexual desire, culminates his career as a molecular biologist by eliminating the need for sex and procreation through human cloning.

The book's generational element is that Bruno was born in 1956 and Michel, like Houellebecq, in 1958. Like the author, they were children in 1968 and reached adulthood in the early 1980s when the generation of '68 came to power with the election of France's first socialist president, Francois Mitterrand. The generation's legacy, the book maintains, is a France without vision, values or hope.

Houellebecq had already sketched this disaffected view of French society in 1994 in his first novel, "Extension du Domaine de la Lutte" (literally "Expansion of the Arena of the Struggle") published in English this month under the title "Whatever" by Serpent's Tail Press, a British company. This 155-



Michel Houellebecq's new novel attacks the generation of '68.

page book follows the narrator and a colleague as they travel the French provinces giving training courses in computers. The colleague is consumed by dismay that he is still a virgin at 28. The lonely narrator in turn views the world with general distaste, a posture that a doctor finally identifies as depression.

This book was well received in

France, selling a respectable 15,000 copies there and being likened by some critics to Albert Camus' novel "The Stranger." Houellebecq subsequently published two books of poetry and one book of essays and interviews, winning the Grand Prix National des Lettres in 1997. Only with "Les Particules Elementaires," though,

did he become a household name. Houellebecq attributes attacks on his new novel to the "pure and simple jealousy" of writers not mentioned in an article in *Le Monde* listing members of a new generation of literature. In *Le Figaro*, this new generation was said to comprise a literary movement called "depressionism" ("depressionism"), although Houellebecq prefers to describe it as new realism.

But some older writers of the '68 generation and intellectuals who still see the world through the left-right prism also criticized the book. For them, anyone opposed to abortion, sexual freedom, environmentalism and European integration has to be reactionary. In their case against Houellebecq, *Perpustakaan*'s prosecuting editors even cited the fact that his exposure of the spiritual desolation of modern life won plaudits from a conservative Roman Catholic publication.

More intriguing, however, is why "Les Particules Elementaires" has proved so popular. The most obvious answer is that many French share Houellebecq's dark vision of a post-ideological, post-ideological France gripped by malaise, unemployment and growing insecurity, where materialism, hypocrisy and corruption have long since replaced dreams of a better life. And if people are looking for someone to blame, why not the generation of '68?

Certainly in his fiction and in interviews, Houellebecq pours scorn indiscriminately on leftists, rightists, feminists, environmentalists and anyone who pretends to offer solutions. "Killing off illusions makes us happier, to know that the past is dead," he said in a recent interview. "People with illusions are stupid. Those with political illusions are not only stupid but dangerous."

His obsession with sex as pornography, prostitution or at best loveless coupling is in turn seen as a denunciation of what has happened to human feelings. For him that is what sexual liberation has come to: alienation and solitude.

PEOPLE



PREMIERE — The actors Billy Crystal, left, Lisa Kudrow and Robert De Niro at the opening of their film, "Analyze This," in Los Angeles.

THE Steven Spielberg film "Saving Private Ryan" won best picture and Terrence Malick ("The Thin Red Line") won best director honors at the Chicago Film Critics Awards. Spielberg paid homage to the movie critic Gene Siskel, who died last month. Siskel and his TV partner, Roger Ebert, used the power of television for the better "and have done a remarkable thing for the motion pictures," Spielberg said in accepting his award Monday. The British stage veteran Ian McKellen won the award for best actor for his role in "Gods and Monsters," an account of the final days of the film director James Whale. Cate Blanchett was honored as best actress for her portrayal of Queen Elizabeth in the film "Elizabeth."

In a very different debate from the kind in which Jerry Springer normally gets involved, the TV talk-show host has evoked the memory of Diana, Princess of Wales, to defend his controversial shows — and guests. "I believe there is a lot of elitism in terms of the criticism of

the show," Springer said Tuesday at the Oxford Union, Oxford University's debating society. Springer said that Diana talked publicly about the same subjects that were aired in his shows, which sometimes feature brawls between guests. "She talked about not being faithful in

her marriage, she talked about bulimia and she talked about even contemplating suicide," Springer said in an apparent reference to Diana's BBC interview in 1995. "On our crazy, silly show our guests frankly, in their way, talk about the exact same issues." He added, "Be-

cause they're not rich or powerful or famous and they didn't go to Oxford or our Harvard, we seem to call them trash." The Chicago-based TV host was in Britain as part of a promotional tour for "The Jerry Springer Show."

On the Tarmac With the Press Corps

Washington Post Service

WASHINGTON — Here's certain grist for the conspiracy-tale mill: Consider the poor luck the Clinton administration has had with press buses. The first small mishap occurred during Hillary Rodham Clinton's trip to Africa two years ago, when a helicopter airlifting the press bus dropped it into the sea. The bus was empty at the time.

Tuesday at about 9 A.M., a few dozen reporters, photographers and White House aides were on a bus that ran right into a charter plane that was waiting on the Salt Lake City, Utah, airport tarmac to carry the media horde back to Washington.

The driver, from the Le Bus company, didn't see the wing of the plane, but the reporters did. "We just couldn't believe it. At the last minute, we were all yelling, 'Stop! Stop!' but it was too late," said Chuck Babington of The Washington Post. The crash "shattered the top part of the bus windshield and put about a foot-long gash into the end of the wing, where the bus just kind of burrowed into it."

The conductor and composer Michael Gielen, 71, was awarded the Frankfurt music prize at a concert to mark the opening Wednesday of this year's international music trade fair. The 25,000 Deutsche mark (\$14,000) prize is given every year to outstanding figures in German cultural life, traditionally on the evening before the world's largest music fair begins.

Phyllis Diller has been fined with a pacemaker after a heart attack last month. "She's doing well," said Milt Suchin, her manager. "We expect her back and working soon. I'm still booking engagements." The 81-year-old comedian's next performance is March 27 at Ohio Northern University in Ada, Ohio.

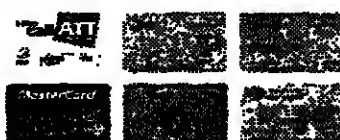


(take in a rock show)

and use AT&T DirectSM Service. With the world's most powerful network, you get fast, clear, reliable connections from anywhere. Plus you'll always have the option of an operator who speaks your language. All it takes is your AT&T Calling Card or credit card, and you're well on your way. Important stuff, when you're out on tour.

For easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from.
2. Dial the phone number you're calling.
3. Dial your card number.



AT&T Access Numbers			
Austria	022-903-011	Greece	00-800-1311
Belgium	0-800-100-10	Ireland	1-800-550-006
Czech Republic	00-42-003-101	Israel	1-800-944-949
Egypt (Cairo)	010-0200	Italy	172-1011
France	0-800-99-0011	Netherlands	0900-022-911
Germany	0130-0010	Russia (Moscow)	753-5042
Saudi Arabia	1-800-10	Spain	900-99-0011
Sweden	022-795-411	Switzerland	0800-89-0011
United Kingdom	0800-89-0011	United Kingdom	0800-89-0011
United Kingdom	0800-89-0011	United Kingdom	0800-89-0011

For access numbers not listed above, ask any operator for AT&T Direct Service, or visit our Web site at: www.att.com/traveler



It's all within your reach.

Credit card calling subject to availability. Payment terms subject to your credit card agreement. Bold-faced countries permit country-to-country calling outside the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all countries listed above. *Pay phone deposit. †Limited availability. ‡Calling available to most countries. §Public phones require local coin payment during the call. ††Dial "00" first, outside Cairo. †††Additional charges apply outside Moscow. ††††U.K. access number in N. Ireland. †††††Call does not complete, use 0800-013-0011. ©1999 AT&T.

دعوات من الأهل